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Chairman: Mr. Kmoníček ..... (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

Contents

Organization of work

Agenda item 118: Financial reports and audited financial statements, and reports of the Board of Auditors

Agenda item 134: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

Agenda item 136: Financing of the United Nations Mission in Bosnia and Herzegovina

Agenda item 137: Financing of the United Nations Peacekeeping Force in Cyprus

Agenda item 138: Financing of the United Nations Organization Mission in the Democratic Republic of the Congo

Agenda item 141: Financing of the United Nations Mission in Ethiopia and Eritrea

Agenda item 142: Financing of the United Nations Observer Mission in Georgia

Agenda item 143: Financing of the activities arising from Security Council resolution 687 (1991)

(a) United Nations Iraq-Kuwait Observation Mission

Agenda item 144: Financing of the United Nations Interim Administration Mission in Kosovo

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Agenda item 145: Financing of the United Nations peacekeeping forces in the Middle East

(a) United Nations Disengagement Observer Force

(b) United Nations Interim Force in Lebanon

Agenda item 146: Financing of the United Nations Mission in Sierra Leone

Agenda item 147: Financing of the United Nations Mission for the Referendum in Western Sahara

The meeting was called to order at 10.10 a.m.

Organization of work (A/C.5/58/1/Add.2; A/C.5/58/L.67/Rev.1)

1. **The Chairman** drew the Committee's attention to a letter dated 8 April 2004 from the President of the General Assembly addressed to the Chairman of the Fifth Committee (A/C.5/58/1/Add.2) allocating agenda item 167 to the Fifth Committee. A list of the documents to be considered during the current part of the resumed session was contained in document A/C.5/58/L.67/Rev.1.

2. **Mr. Al-Ansari** (Qatar), speaking on behalf of the Group of 77 and China, said that the late issuance of documentation seriously impeded the Committee's work. The relevant provisions of the rules of procedure of the General Assembly and of Assembly resolution 57/283 B, in particular the need for strict compliance with the six-week rule must be observed. In its resolution 57/290 B, the Assembly had requested numerous reports on the financial and administrative aspects of peacekeeping operations and the Secretariat should explain why it had not produced those reports in time for the Advisory Committee on Administrative and Budgetary Questions (ACABQ) to consider them.

3. Lastly, the proposed programme of work should allocate more time to the consideration of issues relating to peacekeeping budgets, particularly those that traditionally required more time for their disposal.

4. **Ms. Stanley** (Ireland), speaking on behalf of the European Union, the associated country Bulgaria, the stabilization and association process countries (Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro and the Former Yugoslav Republic of Macedonia), and, in addition, Iceland and Liechtenstein, said that the new user-friendly format and improved quality of the reports of ACABQ on individual peacekeeping missions would enable the Committee to streamline its work. She regretted, however, that a number of important reports on cross-cutting themes, including recruitment, training and information technology, would not be considered by the Committee at the current part of the resumed session.

5. The security and safety of the United Nations was another priority issue and the European Union looked forward to the reports of the Secretary-General and the Advisory Committee on the funds required to ensure that the necessary short-term measures were implemented pending the completion of a comprehensive report.

6. **The Chairman** said he took it that the Committee wished to approve its programme of work, on the understanding that adjustments would be made, where necessary, during the course of the session.

7. *It was so decided.*

Agenda item 118: Financial reports and audited financial statements, and reports of the Board of Auditors (A/58/5 (vol. II), A/58/737 and A/58/759)

8. **Mr. Bhana** (United Nations Board of Auditors), introducing the report of the Board of Auditors (A/58/5 (vol. II)), said that the Board continued to pay special attention to the concerns and requests of the General Assembly and the Advisory Committee. The report addressed the special requests made by the Advisory Committee (A/57/772) and covered, inter alia, air operations, contingent-owned equipment, inventory management, procurement practices and training. The Board had postponed action on the request contained in Assembly resolution 57/318 for it to review the implementation of the recommendations of the Special Committee on Peacekeeping Operations and the Panel on United Nations Peace Operations until it had had an opportunity to consider the report of the Office of Internal Oversight Services (OIOS) on the same subject. A dialogue with delegates on that report (A/58/746) during the informal consultations would be a useful preliminary step in the Board's deliberations.

9. Under a new format, the Board's comments on the status of implementation of its previous recommendations had been included in the main body of the report, which also provided a summary table (annex II) that was cross-referenced to the text of the report. The administration continued to make progress in implementing the Board's recommendations, although 59 per cent of those recommendations were still under implementation, compared with 62 per cent the previous year. The Advisory Committee had also noted the increasing rate of compliance but had requested the Board to continue to monitor the quality of implementation, on the understanding that management should be required to assign responsibility for repeated non-compliance with recommendations of the Board that were endorsed by the General Assembly.

The Board would consider doing so in future recommendations.

10. Chapter III of the report contained an audit opinion on the financial statements of peacekeeping operations for the year ended 30 June 2003. The overall financial position of the United Nations peacekeeping operations had remained fairly stable, with total income of $2.7 billion and total expenditure of $2.5 billion. However, assessed contributions to the value of $593.7 million had been outstanding for more than one year as at 30 June 2003 and the Board had again noted a cash shortfall of approximately $92.9 million to settle the outstanding liabilities of closed missions. The process of property write-offs continued to be protracted and property pending write-off and disposal at 30 June 2003 amounted to $43.1 million.

11. The Board had paid particular attention to the management and control of the recently established strategic deployment stocks. Expenditures of $88.9 million had been incurred as at 30 June 2003 out of a total approved level of $141.5 million. Full capability to support rapid deployment of a complex mission by the initial deadline of 1 July 2003 had not therefore been achieved, resulting in the extension of the deadline to 30 June 2004. Strategic deployment stocks had been transferred to non-peacekeeping missions and agencies, but at the time of the audit there had been no written agreements to enable the Administration to formally hold those entities liable for the repayment of agreed costs at agreed times.

12. With regard to air operations, the Board had coordinated its work with the Internal Audit Division of OIOS. The internal auditors had focused on air safety and the Board on air assets. There had been a substantial reduction in the cost of air operations, with $59.1 million or 22 per cent of appropriated funds for selected missions remaining unspent at year end. Actual flight hours of 45,501 were lower than the budgeted hours of 89,684, which was mainly due to overbudgeting for mission requirements. Furthermore, peacekeeping missions did not always submit performance evaluation reports for air vendors to Headquarters on a regular basis and some missions did not consistently complete performance reports before contracts were extended or renewed.

13. Procurement lead times at Headquarters and in missions were often excessive at different stages of the procurement cycle. In the area of human resources, staff members at many missions were sometimes appointed at lower levels to perform functions in posts initially advertised at higher levels, which carried a risk of inappropriate levels of performance or of the post level being inadequately assessed. Training, including in the areas of aviation and procurement, could be improved, particularly with respect to evaluation of the effectiveness of training actions.

14. The Board recommended that the Administration should remedy factors causing delays in the write-off and disposal process; address factors hampering the acquisition and replenishment of the strategic deployment stocks; establish written agreements for shipments from strategic development stocks; narrow the gap between budget and actual performance in respect of air operations; identify and evaluate the reasons for excessive procurement lead times; compile performance reports before extending or renewing contracts; ensure that staff occupying posts were at the level required by the posts or re-evaluate the level of posts; adequately train staff; and evaluate the impact of training actions. The Board also noted and welcomed the comments of the Advisory Committee, whose report (A/58/759) would make a significant contribution to the planning of the next audit of peacekeeping operations.

15. **Ms. Mabutas** (Director of the Office of the Under-Secretary-General for Management), introducing the report of the Secretary-General on the implementation of the recommendations of the Board of Auditors concerning United Nations peacekeeping operations for the financial period ending 30 June 2003 (A/58/737), said that the task of the Secretary-General in preparing the report and providing the Committee with relevant updated information had been facilitated by the clarity of the Board's recommendations and the systematic monitoring of their implementation. Owing to the increase in communication between the Board and the Administration, the report addressed only those recommendations whose implementation status required further clarification. Where the Board's recommendations had not been implemented, the Administration continued to take all necessary action to ensure implementation within the existing legislative framework and to the extent to which resources were available.

16. The Secretary-General continued to make every effort to ensure the timely and comprehensive implementation of the Board's recommendations with a

view to improving the overall efficiency of peacekeeping operations and ensuring optimum budget implementation. Significant interdepartmental efforts had been made to address issues relating to the continued monitoring of the redeployment of resources, procurement planning and management and new ethical guidelines had been drafted in the area of procurement. Current methods of replenishing strategic deployment stocks had been re-examined and steps had been taken to ensure compliance with improved guidelines on assets disposal and write-off. The Department of Peacekeeping Operations was largely responsible for ensuring the timely implementation of the Board's recommendations and representatives of the Department would be present during the Committee's consideration of the agenda item to provide any necessary clarification. The Administration thanked the Board for the spirit of cooperation and teamwork with which it continued to discharge its oversight function.

17. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) welcomed the improved quality and presentation of the Board's report and its increased emphasis on management audit, which helped determine whether the resources of the audited administrations were being used efficiently and effectively. The Board had conducted management audits of air operations, contingent-owned equipment, inventory management, procurement practices and training and its comments and recommendations had been included in the main body of its report, as the Advisory Committee had suggested. The Administration's replies to the Board's observations were also included in the main body of the report. Notwithstanding the increasing compliance with its recommendations, the Board should continue to monitor the quality of implementation of its recommendations, on the understanding that management would be required to assign responsibility for repeated non-compliance with those recommendations of the Board that had been endorsed by the General Assembly.

18. The Advisory Committee had been briefed on the Board's external auditing standards and guidelines and on the coordination it undertook, mainly during planning, with other oversight bodies, including OIOS, the internal audit services of the United Nations funds and programmes, and the Joint Inspection Unit in order to avoid duplication of effort. It welcomed coordination and collaboration among oversight bodies in planning audit activities, an issue of long-standing interest to the General Assembly, and trusted that such coordination and collaboration would continue in order to ensure optimal use of audit resources, better complementarity of effort and wider and deeper coverage of audit areas.

19. During its examination of the budgets of individual missions, the Advisory Committee had benefited greatly from the Board's findings and recommendations. It continued to focus on issues examined by the Board relating to budget preparation and the monitoring and control of budget implementation, keeping in mind its previous recommendations that had been approved by the General Assembly. The Advisory Committee had also reviewed the adequacy of explanations of budget performance changes and proposed budget estimates.

20. The Advisory Committee continued to collaborate closely with the Board of Auditors, which had conducted horizontal audits in areas on which the Committee had consistently focused its attention, such as training and air operations. In future audit reports, the Board might wish to continue to place increased emphasis on management audit, particularly of cross-cutting issues, in order to determine whether the resources of the audited administrations were being used adequately.

21. In keeping with its recent practice, the Advisory Committee had combined its observations and recommendations on the report of the Board of Auditors with its general report on peacekeeping operations so as to facilitate a comprehensive discussion of the main issues facing peacekeeping operations. In part I of its report, the Advisory Committee commented on general issues arising solely out of the report of the Board of Auditors. In part II, it addressed matters arising out of the reports of the Secretary-General on individual peacekeeping operations, including, where relevant, reference to the recommendations or observations of the Board of Auditors.

Agenda item 134: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/58/7, A/58/702, A/58/703 and Add.1, A/58/705, A/58/706, A/58/707, A/58/715, A/58/724, A/58/732, A/58/759 and Add.9 and A/58/760 and A/57/765)

22. **Mr. Halbwachs** (Controller) introduced in a single statement the reports of the Secretary-General on the overview of the financing of the United Nations peacekeeping operations: budget performance for the

period from 1 July 2002 to 30 June 2003 and budget for the period from 1 July 2004 to 30 June 2005 (A/58/705), the performance report on the budget for the support account for peacekeeping operations for the period from 1 July 2002 to 30 June 2003 (A/58/703 and Add.1), the budget for the support account for peacekeeping operations for the period from 1 July 2004 to 30 June 2005 (A/58/715), the performance report on the budget of the United Nations Logistics Base at Brindisi for the period from 1 July 2002 to 30 June 2003 (A/58/702), the budget for the United Nations Logistics Base at Brindisi for the period from 1 July 2004 to 30 June 2005 (A/58/706), the status of the implementation of the strategic deployment stocks (A/58/707), progress in the implementation of the field assets control system (A/57/765) and the Peacekeeping Reserve Fund (A/58/724).

23. In response to the Assembly's requests, the Secretariat had prepared 43 reports on peacekeeping-related issues, 12 performance reports for individual peacekeeping missions for the period from July 2002 to June 2003, 11 reports on proposed budgets for the period 2004-2005, one report on the disposition of assets from the United Nations Mission in Bosnia and Herzegovina (UNMIBH), two notes on the financing of the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) and the United Nations Mission in Liberia (UNMIL), one note updating the proposed budgetary requirements for peacekeeping from the support account, as well as performance reports and proposed budgets for the support account and the United Nations Logistics Base at Brindisi. Seven reports would be issued late and would therefore not be considered at the current session. Additional reports on the financing of the United Nations Operation in Côte d'Ivoire (UNOCI), the interim financing of the new mission in Haiti and the potential mission in Burundi and revised requirements for the United Nations Mission of Support in East Timor (UNMISET) would be submitted in due course, pending the relevant decisions of the Security Council.

24. The report of the Secretary-General on the overview of the financing of the United Nations peacekeeping operations (A/58/705) provided consolidated information on the performance of the peacekeeping budgets and the budget proposals. In response to the Advisory Committee's recommendations and observations, it also addressed cross-cutting issues relating to the operational aspects of peacekeeping.

25. For the period from 1 July 2002 to 30 June 2003, total expenditure had amounted to $2.39 billion, against a total approved budget of $2.6 billion, resulting in an overall budget implementation rate of 92 per cent. Table 3 set out the financial resource performance for individual peacekeeping missions for the period 2002/03, while table 4 detailed the main factors affecting budget performance. In the absence of a baseline of expected results, the performance information was presented in a transitional format. The next year's report would plot actual outputs against the baseline indicators contained in the budget. However, the proposed budget for 2004/05 contained more measurable results-based-budgeting elements than in previous years. Attempts had also been made to improve the linkages between results-based-budgeting frameworks and the resource requirements themselves. Table 6 listed the planned indicators of achievement for 2004/05.

26. With regard to specific resource requirements, for the period 2003-2004, the General Assembly had initially approved a peacekeeping budget of $2.2 billion, but in the light of unforeseen events, had revised that amount upwards to $2.8 billion. For the period 2004/05, the Secretariat was proposing a budget of $2.649 billion, which reflected the downsizing of the United Nations Mission in Sierra Leone (UNAMSIL), the United Nations Interim Administration Mission in Kosovo (UNMIK) and UNMISET offset by the full deployment of the authorized troop level to MONUC and the full establishment of the new mission in Liberia. However, that proposal was not a true reflection of the situation, as it did not take into account the estimated resource requirements for UNOCI or the revised estimates for UNMISET and UNAMSIL. The new mission in Haiti would also require additional financial resources and, depending on the outcome of ongoing discussions in the Security Council, new operations might be established in Burundi and Sudan. Taking all those developments into account, the revised budget for peacekeeping operations could amount to over $4 billion, its highest level in 10 years.

27. Turning to the performance report on the budget for the support account for peacekeeping operations for the period from 1 July 2002 to 30 June 2003 (A/58/703 and Add.1), he said that expenditures had amounted to

$97.1 million against approved resources of $100.9 million, resulting in an unencumbered balance of $3.8 million and an implementation rate of 96.3 per cent. The unencumbered balance was attributable mainly to higher vacancy rates than those budgeted for. For the first time, the report showed actual indicators of achievement and actual outputs, which were compared with the baselines established in the 2002/03 budget.

28. The budget for the support account for peacekeeping operations for the period from 1 July 2004 to 30 June 2005 (A/58/715) amounted to $122.1 million and provided for 762 posts. The establishment of 19 new posts was requested: one in the Office of the United Nations Ombudsman, 7 in OIOS and 11 in the Department of Management.

29. Since the preparation of the budget in late 2003 and early 2004, there had been an upsurge in peacekeeping activities. A number of new missions had been established, including some complex ones, and several more could be deployed in the next three to six months. The number of military personnel was expected to increase from 49,000 to approximately 78,000 and the number of civilian personnel from 11,200 to about 17,000. The Administration intended to suspend temporarily certain low priority tasks and reassign the staff performing them. However, in order to provide key enabling functions for new and potential missions and to continue to support existing ones, it would be necessary to augment current staffing levels, at least temporarily. Given the degree of urgency, the Administration intended to meet its needs not by requesting additional resources, but by utilizing temporary vacancies in existing missions. Long-term requirements would be presented in the next support account budget.

30. With regard to the performance report on the budget of the United Nations Logistics Base at Brindisi for the period from 1 July 2002 to 30 June 2003 (A/58/702), expenditures had amounted to $14.4 million against a budget of $14.3 million. The slight overexpenditure was due mainly to the appreciation of the euro vis-à-vis the United States dollar during the financial period.

31. The budget for the United Nations Logistics Base at Brindisi for the period from 1 July 2004 to 30 June 2005 (A/58/706) amounted to $28.8 million, representing an increase of $6.6 million or 29.7 per cent compared with the current budget. That was mainly attributable to increased staff costs, again owing to the appreciation of the euro, and increased operational costs due to the need to replace existing prefabricated structures with new ones.

32. Concerning the report of the Secretary-General on the status of implementation of the strategic deployment stocks (A/58/707), substantial progress had been made in the creation of the strategic deployment stocks. As at 31 December 2003, strategic deployment stocks had facilitated the rapid deployment and operational readiness of UNMIL, UNOCI and the Office of the Special Representative of the Secretary-General in Iraq. A summary of the status of procurement actions related to the strategic deployment stocks was contained in table 1. As at 30 June 2003, of the total budget of $141.5 million, expenditures had amounted to $88.9 million. The General Assembly had extended the validity of the approved resources to 30 June 2004. Accordingly, the balance of $52.6 million had been carried forward to the 2003/04 financial period. A comprehensive report would be submitted to the Assembly at its fifty-ninth session examining the lessons learned in implementing the strategic deployment stocks and recommending further measures to enhance the capacity for rapid deployment of peacekeeping missions.

33. With regard to the report of the Secretary-General on the Peacekeeping Reserve Fund (A/58/724), as at 31 March 2004, the Fund balance had stood at $150.3 million. That amount took into account loans paid to the United Nations Mission in the Central African Republic, which had yet to be repaid because no assessments for the Mission had been received. The Fund had been used to meet the immediate start-up requirements of UNOCI and was currently being utilized for the pre-mandate requirements of the planned mission in Burundi. The requirements of the potential United Nations mission in Haiti were being formulated.

34. While the General Assembly was expected to approve the budget for UNOCI at its current session, the Fund would continue to be used to meet its requirements until sufficient assessments were collected. As the Committee was aware, there was generally a considerable delay between the dispatch of letters of assessment and the receipt of payments. If the Security Council decided to extend the mandate of UNMISET and to approve the establishment of a United Nations presence in Burundi, the

Administration would request temporary financing with assessments until detailed budgets could be submitted to the General Assembly.

35. The Secretary-General recommended, in paragraph 8 of the report, that the level of the Fund should be maintained at $150 million and that the balance in excess of the authorized level, namely $11 million, should be applied to meet the financing of the support account for the period from 1 July 2004 to 30 June 2005. He recalled that the Assembly had endorsed such an arrangement in 2003.

36. The Administration had proposed the conversion of staff in several peacekeeping missions from the 300 series of the Staff Rules to the 100 series. However, the Advisory Committee had expressed the opinion that, in the light of the policy issues raised, the proposal should be presented by the Secretary-General in a comprehensive manner in the context of his report on human resources management policies to be submitted to the General Assembly at its fifty-ninth session. It had recommended that action on conversion should be deferred pending the Assembly's consideration of the report (A/58/759, para. 39). The Administration would comply with that recommendation, but it would need guidance with respect to the cases of staff who reached the four-year ceiling on contracts under the 300 series before 31 December 2004. It would review the costs of conversion, since the figures provided in the relevant budgets appeared to be inaccurate.

37. There had been progress in the financing of the United Nations peacekeeping operations over the past year. For example, the budget for UNMIL had been prepared in record time. The lessons learned would help the Administration to streamline the budget preparation process for all peacekeeping missions. It was striving to improve forecasting of initial requirements of new missions, which was crucial given the upsurge in peacekeeping activities.

38. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related reports of ACABQ (A/58/7 (paras. II.36 and II.37), A/58/732, A/58/759 and Add.9 and A/58/760), said that he would focus in his statement on the cross-cutting issues dealt with in the Advisory Committee's general report, which was contained in document A/58/759. There had been considerable improvement in the timeliness of the presentation of reports on peacekeeping operations for consideration by the Advisory Committee at its winter session. The establishment of new missions would lead to an increase in the Advisory Committee's already heavy workload at the winter session, making it essential to limit future winter sessions to the consideration of peacekeeping-related issues, as had been intended by the General Assembly when it adopted resolution 49/233.

39. The Advisory Committee had made its reports on individual peacekeeping operations shorter and more focused so as to increase their reader-friendliness and facilitate decision-making. It would consider possible further improvements in the format of its reports to the Fifth Committee.

40. The budget proposals for 2004/05 contained more measurable indicators of achievement than those for the previous period. In addition, more outputs were quantifiable and/or measurable in the context of the results-based budgeting frameworks, and attempts had been made to link resources to outputs and indicators of achievement and to attribute the human resources for each mission to the individual components. While those achievements were commendable, further improvements were necessary, including the identification of precise time frames for implementation. Most important, it was crucial to develop financial systems to link to a comprehensive programme information system to ensure that requests for resources were directly attributed to outputs and accomplishments. Without such systems, Member States would be forced to continue with an object-of-expenditure consideration of budgets.

41. The implementation rate of most budgets had further improved in 2002/03, reflecting more realistic budgeting. As a result, in a number of missions, the Advisory Committee's observations and recommendations were aimed at achieving improved management and more efficient resource utilization rather than a significant reduction in the overall level of resources. Strict monitoring of budget implementation should maintain the trend towards improved budget performance while allowing the flexibility necessary to respond to unforeseen developments.

42. With regard to civilian personnel, there had been no reliable analysis of the financial impact of the proposed conversion of staff from the 300 series of the Staff Rules to the 100 series, although thousands of

staff members would be covered. The Advisory Committee had been informed that some $10 million had been included in the budgets of three missions for the conversion of international staff. However, it had serious doubts about the accuracy of those figures. It was of the view that such a basic change in the application of the 300 series should be reported to the Fifth Committee for possible comment or further direction in accordance with article XII of the Staff Regulations. In its general report, it recommended that the matter should be considered by the General Assembly in the context of the Secretary-General's report on human resources management policies. In the meantime, conversions should be deferred and the four-year ceiling on contracts under the 300 series suspended.

43. The Advisory Committee had also considered proposals for the conversion of some individual contracts on special service agreements into fixed-term contracts under the 100 series for national staff in such areas as engineering, communications, general service, transport, finance and personnel based on the continuous nature of those functions. Its observations on the subject were contained in paragraphs 43 to 46 of its general report (A/58/759). The long-standing problem of staffing at lower-than-approved grades was examined in paragraph 32. The Advisory Committee recommended that such inconsistencies should be remedied through grade reviews and reclassification exercises.

44. Concerning military personnel, the Advisory Committee had noted that, in budgeting for rotation and emplacement, the Secretariat, in accordance with established policy, assumed rotation of contingents every six months. However, in practice, a large number of contingents rotated after periods longer than six months. The Advisory Committee therefore requested the Secretariat to look into the feasibility of extending the time between rotations whenever possible, without prejudice to the national legislation of troop-contributing countries. That could lead to substantial savings for the United Nations.

45. The total requirement for rations had reached about $88.6 million in the period 2003/04. In paragraph 69 of its general report (A/58/759), the Advisory Committee stressed that the primary consideration should be the timely delivery of fresh, high-quality food to contingents. In that connection, proper attention should be paid to the inspection of rations and to distribution and delivery management, taking into account the best interests of the Organization.

46. The Advisory Committee remained concerned about the living accommodation of troops. In accordance with established policy, the United Nations should provide hard-wall accommodation within six months of the deployment of troops in the theatre of operation. Regrettably, that policy was not being followed in all cases. The Advisory Committee understood that in some missions, owing to the operational environment, it was impractical to provide all contingents with hard-wall accommodation at all times. However, financial considerations should not be the predominant factor in such decisions, and troops should be provided with hard-wall accommodation, except when requirements for mobility of units and the operational environment genuinely dictated otherwise.

47. Turning to operational costs, he noted that air transportation accounted for 12.8 per cent of all peacekeeping expenditures. The Advisory Committee acknowledged the progress made by the Department of Peacekeeping Operations in the management of air operations and the steps taken to reconfigure air assets in the light of changing operational needs and the mission environment. However, it endorsed the recommendation of the Board of Auditors that the Department should continue its efforts to improve the formulation of the air operations budget to make it more reflective of actual operations. The impact of the changes introduced in air operations regulations was discussed in paragraphs 61 and 62 of the general report (A/58/759).

48. Total resources proposed for training of civilian staff in peacekeeping for the period 2004/05 amounted to $5.8 million, compared with $8.9 million for 2003/04, or 34.8 per cent less. The Advisory Committee noted that the training estimates provided in the individual peacekeeping budgets for 2004/05 were not clearly stated, since the costs of training-related travel and training supplies and equipment were subsumed under various miscellaneous budget lines. In that connection, it reiterated that all resources requested for training should be clearly and comprehensively treated. In addition, it stressed the need to evaluate the effectiveness of training programmes in order to assess whether they met individual and organizational goals. The reassignment of trained personnel should be monitored so as to avoid the need for additional training.

49. The performance reports for 2002/03 showed persistent overexpenditure for travel. While estimates for official travel for 2004/05 had been reduced in some missions, the presentation of those requests continued to lack precision and clarity.

50. The Advisory Committee was concerned about the transfer to the United Nations Logistics Base at Brindisi of used vehicles that might no longer be operational or useful in other missions and the possibility that excessive maintenance costs might be incurred in respect of those vehicles. For example, vehicles that had been driven over 100,000 miles had been transferred from UNMIBH to two missions in Africa. The Secretariat should analyse whether it was cost-effective to transfer vehicles with high mileage to other missions, taking into account the cost of freight.

51. In the coming months, a number of new missions would be established while some existing ones would be expanded. All were complex missions involving substantial military and civilian components. The Secretariat required rapid deployment capability to ensure the successful start-up of those missions. The Advisory Committee had observed some positive developments in that regard, including the establishment of a Steering Group on Strategic Deployment Stocks to deal with such matters as operational readiness, replenishment and stock rotation and to evaluate the concept of strategic deployment stocks. While strategic deployment stocks could not meet the requirements of all the new and potential missions, efficient and effective management of strategic deployment stocks would be vital to ensure that they provided maximum assistance in that regard. Other positive developments included the rapid deployment roster established by the Department of Peacekeeping Operations to provide teams of experienced staff to undertake critical tasks in the start-up phase of missions. The rapid deployment exercises held at the United Nations Logistics Base at Brindisi in January 2003 had resulted in further refinement of the integrated mission planning process. In addition, standard operating procedures for rapid deployment were being developed and were included in the 2004 work plan for the Department of Peacekeeping Operations. The Advisory Committee was encouraged by those efforts and would continue to monitor them.

52. The Advisory Committee also welcomed the development of regional logistical hubs where feasible and cost-efficient. Those hubs were not intended to replace the Logistics Base as the primary maintenance base but to strengthen further the logistical support infrastructure for peacekeeping activities. For example, extensive support in terms of equipment, services and specialist personnel had been drawn from UNAMSIL during the establishment of UNMIL.

53. It was important to start planning now so as to develop the capacity to respond quickly and efficiently to a possible dramatic upsurge in peacekeeping activities. The General Assembly might wish to give further policy guidance, particularly concerning arrangements for the rapid deployment of both military and civilian personnel and the enhancement of procurement and logistic facilities both at Brindisi and regionally. The Advisory Committee would follow the matter closely and monitor the implementation of General Assembly policies in that regard.

54. He also wished to highlight some issues dealt with in other reports of ACABQ. Concerning the budget for the support account for peacekeeping operations for the period from 1 July 2004 to 30 June 2005 (A/58/715), the Advisory Committee observed in its related report (A/58/760) that the Secretariat had implemented the General Assembly's request relating to the rejustification of certain support account posts in such a manner as to render the exercise virtually meaningless and that the matter needed to be rethought. There was a continuing trend towards increased travel costs. However, as delegation of authority to the field increased and a large amount of resources were invested in communications and information technology, demand for travel should decrease. Concerning the use of consultants, the Advisory Committee was of the opinion, taking into account the expertise available in-house, that other modalities should be explored before resorting to expenditures in that area. Moreover, whenever possible, there should be a transfer of skills as a result of those services, especially given the large investment of resources involved. In formulating its recommendations on posts, the Advisory Committee had been mindful of the possible establishment of new large peacekeeping operations. It trusted that the Secretariat would take that into account before requesting additional support account resources in respect of new missions.

55. The Advisory Committee's recommendations concerning the budget estimates for UNAMSIL took account of the recent Security Council decision to adjust the timetable for the drawdown of the Mission in

2004, and it should have sufficient capacity to absorb any related additional requirements. If necessary, revised estimates should be submitted to the General Assembly at the main part of its fifty-ninth session. The recommendations had also been affected by the Advisory Committee's position on the conversion of staff from the 300 series of the Staff Rules to the 100 series. The Advisory Committee welcomed the use of the Mission as a regional logistical hub and looked forward to the utilization of such facilities elsewhere, when feasible.

56. There had been a significant improvement in the formulation of the budget estimates for MONUC, for which a results-based budgeting framework had been used. The Advisory Committee understood that the Mission's activities would be significantly affected by developments in the electoral process, and it had generally been supportive of requests for additional resources in that area, deployment of which should be tied to the pace of electoral activities. Given the complexity of the Mission, the Advisory Committee had reiterated its request for a comprehensive review to be undertaken of its organizational structure.

57. The budget estimates for the United Nations Mission in Ethiopia and Eritrea (UNMEE) included resources for the conversion of staff from the 300 series of the Staff Rules to the 100 series. UNMEE was also one of several missions where staff had been recruited at grades lower than those approved in the authorized staffing table. The Advisory Committee's views on the aforementioned matters were contained in its general report (A/58/759). Following a security review in the Mission area, a plan had been formulated for the relocation of the Asmara headquarters. The Advisory Committee recommended approval of an additional appropriation for that purpose. It had also requested the officials responsible to analyse the feasibility of moving the Addis Ababa headquarters back to the compound of the Economic Commission for Africa.

58. United Nations peacekeeping operations had first mushroomed in the 1990s. With the adoption of General Assembly resolution 49/233 and subsequent reforms, budgeting had become more realistic and operational procedures more standardized. However, those accomplishments had not obviated the need for continued vigilance in the management of peacekeeping operations. The Advisory Committee intended to pursue vigorously the goal of maximum efficiency and economy in peacekeeping operations, as called for on numerous occasions by the General Assembly.

59. **Ms. Ferguson** (Canada), speaking also on behalf of Australia and New Zealand, said that significant improvements had been made to the management of the overall peacekeeping programme and the considerable resources provided to it. However, there was a very real possibility that several new operations would be launched in the forthcoming year, which would put tremendous strain on the Organization. In order to meet that challenge, the Organization must be creative and efficient in administering and supporting its peacekeeping operations. The key to success lay in ensuring that all operations were provided with adequate resources. Should the expected increase in peacekeeping activities materialize, the peacekeeping budget could increase to $4.5 billion or more. All Member States must therefore pay their assessed contributions on time, in full and without conditions. There was also need for prompt reimbursement of troop-contributing countries and the settlement of outstanding claims.

60. The full amount of outstanding special assessed contributions must be recovered in order to adequately fund the strategic deployment stocks programme, which had become more important than ever. If the United Nations was to meet the demands of the year ahead, the strategic deployment stocks must reach full capacity. The delegations on whose behalf she spoke fully agreed with the relevant recommendation of the Board of Auditors and welcomed the establishment of the strategic deployment stocks Steering Group.

61. The increasing use of results-based budgeting represented a real advancement in ongoing efforts to develop transparency and accountability in the budgeting process and the Secretariat should continue to seek further ways of strengthening the budgeting and reporting structure. It should also pursue opportunities for optimizing the provision and management of support resources and service delivery between UNMIL, UNAMSIL and UNOCI. Similar efficiencies should be sought in other instances where the United Nations operated in different locations within the same region.

62. **Ms. Skaare** (Norway) reiterated Norway's commitment to the maintenance of international peace and security, a core task of the United Nations, and

urged Member States to live up to their collective responsibility to ensure the adequate financing of peacekeeping operations. The United Nations must be given the means to maintain and even strengthen its capacity to plan and execute new and increasingly complex operations.

63. She welcomed the performance reports of the Secretary-General on the budget for the support account for peacekeeping operations (A/58/703 and Add.1). However, while the advantages of results-based budgeting were easy to see in the new format, more work could be done on the baseline and indicators of achievement. She also welcomed the improvements in the format of the budget for the support account for peacekeeping operations for the period from 1 July 2004 to 30 June 2005 (A/58/715) and endorsed the proposed increase. In recent years, considerable improvements had been made in the overall management of increasingly multifunctional operations and the current budget proposals would reinforce that trend.

64. Adequate resources at Headquarters were vital to ensuring the proper planning and implementation of peacekeeping operations. Increased cooperation with regional organizations and arrangements was an important means of making the most of limited financial resources. In that connection, the United Nations Standby Arrangements System (UNSAS) and the strategic deployment stocks were useful tools for helping to ensure rapid deployment. Her delegation was therefore concerned about the recent depletion of the strategic deployment stocks and strategies should be developed for their replenishment.

65. The need for new measures to strengthen the safety and security of United Nations personnel, a matter of high priority, would have budgetary implications. When addressing the issue of air operations, for example, account should be taken not only of flight hours and fuel prices but also of air safety, which should always be given the highest priority.

66. In 2003, to Norway's disappointment, the Committee had rejected a proposal to establish an advisory position in the Secretariat for a trauma expert. The traumatic experience of the terror attack in Baghdad had been a terrible reminder of the need for such expertise.

67. While she appreciated the work being done by the gender adviser in the Department of Peacekeeping Operations, more needed to be done to develop a baseline and indicators for an overall, coherent policy of gender mainstreaming in all United Nations peacekeeping activities. The next report should contain a full set of indicators of achievement for the whole process, from the initial planning stages to post-conflict reconstruction. The Department should also increase its planning capacity and cooperate closely in that area with other United Nations departments, funds and programmes.

Agenda item 136: Financing of the United Nations Mission in Bosnia and Herzegovina (A/58/632, A/58/720 and A/58/759/Add.11)

Agenda item 137: Financing of the United Nations Peacekeeping Force in Cyprus (A/58/631, A/58/644 and Corr.1 and A/58/759/Add.4)

Agenda item 138: Financing of the United Nations Organization Mission in the Democratic Republic of the Congo (A/58/684, A/58/701 and A/58/759/Add.10)

Agenda item 141: Financing of the United Nations Mission in Ethiopia and Eritrea (A/58/633, A/58/658 and A/58/759/Add.8)

Agenda item 142: Financing of the United Nations Observer Mission in Georgia (A/58/639, A/58/640 and A/58/759/Add.1)

Agenda item 143: Financing of the activities arising from Security Council resolution 687 (1991)

(a) United Nations Iraq-Kuwait Observation Mission (A/58/630 and A/58/759/Add.12)

Agenda item 144: Financing of the United Nations Interim Administration Mission in Kosovo (A/58/592, A/58/634, A/58/638 and A/58/759/Add.5)

Agenda item 145: Financing of the United Nations peacekeeping forces in the Middle East

(a) United Nations Disengagement Observer Force (A/58/641, A/58/642 and A/58/759/Add.7)

(b) United Nations Interim Force in Lebanon (A/58/637, A/58/659 and A/58/759/Add.6)

Agenda item 146: Financing of the United Nations Mission in Sierra Leone (A/58/660, A/58/661 and A/58/759/Add.3)

Agenda item 147: Financing of the United Nations Mission for the Referendum in Western Sahara (A/58/642 and Corr.1, A/58/657 and A/58/759/Add.2)

68. **Mr. Halbwachs** (Controller), introducing in a single statement the reports of the Secretary-General on specific United Nations peacekeeping operations, said that UNMIBH had expenditures of $70.3 million against an allocation of $78.5 million, for an implementation rate of 90 per cent (A/58/632). The unutilized balance was attributable primarily to the repatriation of military observers serving in the United Nations Mission of Observers in Prevlaka (UNMOP), whose mandate had expired in December 2002, the non-replacement of civilian police due for repatriation after July 2002 and the accelerated repatriation of civilian police following the successful elections of 5 October 2002. Costs had also been reduced by the transfer of Mission assets directly to other peacekeeping missions. Final disposition of the Mission's assets (A/58/720) had been undertaken in accordance with United Nations Financial Regulation 5.14. The Committee should take note of the report.

69. Expenditures for the United Nations Peacekeeping Force in Cyprus (UNFICYP) had been $43.644 million against an apportionment of $43.652 million (A/58/631). The proposed budget for the Force for the period from 1 July 2004 to 30 June 2005 (A/58/644) amounted to $47.4 million, an increase of $3.6 million or 8.3 per cent. The increase could be explained by the increase in the number of civilian police, from 35 to 69, the creation of four new international and five new national posts, the upgrading of the post of Chief Administrative Officer from P-5 to D-1 and increased costs for utilities and maintenance.

70. Expenditures for MONUC amounted to $479.9 million against an apportionment of $581.9 million, for an implementation rate of 83 per cent (A/58/684). The variance was attributable to the reduction in the authorized strength and slower deployment of military observers and delays in deployment of the military contingent, international staff and commercially contracted aircraft. The Mission's proposed budget for 1 July 2004 to 30 June 2005 (A/58/701) amounted to $641 million, an increase of $77.3 million or 12 per cent for full deployment of 10,800 military personnel and 182 civilian police, a total increase of 161 national and international staff and the operations of the fleet of 51 aircraft.

71. Expenditures for UNMEE had totalled $209.6 million against an appropriation of $220.8 million, for an implementation rate of 95 per cent (A/58/633). The lower expenditure could be attributed to lower rotation costs for military personnel, recruitment of staff at lower grade levels, discontinued use of one aircraft and reduced utilization of air ambulance services for casualty and medical evacuations. The proposed budget for the Mission for the period 1 July 2004 to 30 June 2005 (A/58/658) was $201.4 million, an increase of $13 million that was attributable to the proposed conversion of 98 posts from appointments under the 300 series of the Staff Rules to posts under the 100 series and the need to replace 79 vehicles based on age, mileage and condition.

72. Expenditures for the United Nations Observer Mission in Georgia (UNOMIG) had been $28.8 million against an allocation of $31.7 million, for an implementation rate of 91 per cent (A/58/639). The decrease reflected the non-deployment of a third tactical helicopter and the use of surplus stock from liquidating missions for ground transportation. The proposed budget for the Mission (A/58/640) for the period from 1 July 2004 to 30 June 2005 reflected an increase of $1.6 million, which was attributable to the addition of 18 civilian police officers, three new international posts, a new post of human rights officer and the conversion of 20 individual contracts into 20 national posts.

73. The implementation rate for the United Nations Iraq-Kuwait Observation Mission (UNIKOM) (A/58/630) was 84 per cent. Owing to political and military developments, the Mission had been suspended as of 17 March 2004 and its mandate had not been renewed. Expenditures for UNMIK had amounted to $329.9 million (A/58/634) and the proposed budget for the period from 1 July 2004 to 30 June 2005 (A/58/638) was estimated at $272.2 million against an allocation of $315.5 million. The reduction of $43.3 million reflected the downsizing of the Mission, resulting in the phased repatriation of civilian and formed police units, reductions in national and international staff and lowered operational costs.

74. Expenditures for the United Nations Disengagement Observer Force (UNDOF) (A/58/641) had amounted to $38.9 million, an implementation rate of 100 per cent. The proposed budget for the period from 1 July 2004 to 30 June 2005 (A/58/662) would be increased by approximately $900,000 for the recruitment of one new international post, upgrading of the post of Chief Administrative Officer from P-5 to D-1 and conversion of the posts of 14 casual labourers to national posts.

75. An amount of $112 million had been appropriated for the United Nations Interim Force in Lebanon (UNIFIL) (A/58/637) and expenditures had totalled $107.6 million, for an implementation rate of 96 per cent. The lower than expected expenditure could be attributed to delays in the deployment of military personnel, reduced costs for rotation of military personnel, the decision to repair rather than replace generators and lower than anticipated compensation payable for third party claims. The proposed budget for the period from 1 July 2004 to 30 June 2005 (A/58/659) called for an increase of $4.7 million or 5.3 per cent due largely to increased salary costs for international staff and the regularization of 45 contractual staff.

76. Expenditure for UNAMSIL (A/58/660) had been $603 million against an appropriation of $669.4 million, for an implementation rate of 90 per cent. The lower than anticipated expenditure could be attributed to the drawdown of the military contingent, slow deployment of international staff and reduced costs for ground transportation following the change in the Mission mandate. The proposed budget for the period 1 July 2004 to 30 June 2005 (A/58/661) was only $199.8 million as against an appropriation in 2003/04 of $520 million. The decrease of some $320 million was as a result of the downsizing of the Mission and the repatriation of military and police personnel by December 2004. The estimates could be affected, however, by any change in the mandate of the Mission.

77. Expenditures for the United Nations Mission for the Referendum in Western Sahara (MINURSO) (A/58/642) had been $38.4 million, representing an implementation rate of 92 per cent. The lower actual expenditure was attributable to vacancies among military observer staff and the use of staff at a lower than anticipated grade. The proposed budget for the period 1 July 2004 to 30 June 2005 (A/58/657) included an increase of $460,000 due to the increase in costs associated with the change in the configuration of the helicopters deployed and the need to replace communications equipment.

78. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services) introduced the report of OIOS on its investigation into the fraudulent diversion of $4.3 million by a senior staff member of UNMIK (A/58/592). The case had involved monies owed to the State-owned Kosovo Energy Corporation (KEK) for the sale of electricity to EPS, the Serbian State-owned energy company, which had been transferred to the private bank account of Mr. Trutschler, a former staff member of the UNMIK reconstruction pillar, who, at that time, had been Chairman of the Supervisory Board of KEK. In April 2002, the then head of the UNMIK reconstruction pillar had been made aware of the diversion of funds and had immediately informed the European Anti-Fraud Office (OLAF). In early May 2002, OIOS had been apprised of the case through United Nations channels. Mr. Trutschler held a European Union letter of appointment that had been facilitated and financed, to the benefit of UNMIK, by the European Agency for Reconstruction. That was an important consideration, since OIOS had no jurisdiction to investigate European Union staff, even those working under the overall management of UNMIK.

79. OIOS and OLAF investigators had determined the need for collaboration to resolve such issues as whose money had been stolen, which staff member had been responsible for the theft and which national jurisdiction should prosecute the case. OLAF had been assigned responsibility for locating and freezing bank accounts in Gibraltar, while OIOS had conducted the internal UNMIK investigation in support of the eventual judicial inquiry. As a result of the joint investigation, the misappropriated funds had been returned to UNMIK and Mr. Trutschler had been prosecuted, found guilty and imprisoned for 44 months in Germany.

80. The report had also established how Mr. Trutschler had concealed his activities and that he had provided another UNMIK staff member with $200,000, that his employment terms had been unusually generous for his grade, that his claims of significant academic and work experience for someone aged only 33 years, had not been verified, that he had not been supervised closely while in UNMIK and that he had made other fraudulent travel claims while there.

81. The reports of the investigation into Mr. Trutschler's false curriculum vitae and fraudulent travel claims had been passed by OIOS to UNMIK and the European Union for action. Investigation of the transfer of $200,000 was still ongoing, and OLAF and OIOS were working with the Canadian authorities to have the sum returned to UNMIK.

82. The case had demonstrated the value of collaboration and rapid action by investigators, since it had first come to the attention of OIOS in May 2002 and Mr. Trutschler had been sentenced in June 2003. But the case had also demonstrated how easy it was to commit such a crime in a post-conflict environment where so-called emergency management was practised and staff operated with insufficient levels of scrutiny and controls. The investigators had agreed that if the European Agency for Reconstruction, initially, and the UNMIK reconstruction pillar, subsequently, had made even the most basic of background checks, Mr. Trutschler's recruitment would have been unlikely and the whole matter might never have arisen.

83. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related reports of the Advisory Committee (A/58/759/Add.1-8 and 10-12), said that the reports contained comments on the proposed 2004/05 budget for each peacekeeping operation and, where appropriate, comments on the financial performance reports for 2002/03. The Advisory Committee had noted with satisfaction that, in most cases, more realistic budgeting techniques had improved the implementation rate for the biennium 2002-2003 compared to previous bienniums.

84. In its report on UNMIBH (A/58/759/Add.11), the Advisory Committee recommended that the General Assembly should take note of the report on the final disposition of the assets of the Mission.

85. In its report on UNFICYP (A/58/759/Add.4), the Advisory Committee recommended reducing the proposed budget for the biennium 2004-2005 by a total of $208,300 in connection with the proposal for recruitment of two P-2 civil affairs officers and one local staff member. Revision of the requirement for 2004/05 might be needed in the light of recent developments.

86. In connection with its report on MONUC (A/58/759/Add.10), the Secretary-General would be submitting a note to the General Assembly regarding the additional funds to be assessed for the Mission. In its resolution 58/259, the General Assembly had appropriated $59 million for 2003/04, in addition to the $582 million that had already been appropriated and apportioned, but not assessed, on the understanding that the Committee would review the situation when it examined the estimates for 2004/05. The Advisory Committee was recommending a reduction in the proposed budget of $9,182,400. A 3 per cent reduction for military and police personnel had been proposed because the budget had assumed a six-month rotation period when, in fact, the period was longer than six months.

87. The proposed budget for 2004/05 had requested a significant increase in civilian personnel in connection with electoral activities. The Advisory Committee had supported that request, on the understanding that deployment should be tied to the pace of electoral activities. However, in the case of the Mission's Office of Public Information, it recommended reducing the proposed staff allocation, because a significant increase had been approved for the current period. It recommended that emphasis should be given to information activities in the field. The Advisory Committee took the view that resource requirements for national staff should assume a 10 per cent vacancy rate rather than the 5 per cent proposed by the Secretary-General. The total recommended reduction for civilian personnel was $2,028,300. For official travel, the Advisory Committee recommended a reduction of $279,600 to be applied to the portion of the estimate for official travel which did not relate to voter registration and the electoral process.

88. Further study of a number of issues was needed and the Advisory Committee had requested a cost-benefit analysis on the issue of contractor delivery of rations by air as well as a comprehensive review of the organizational structure of the Mission.

89. In its report on UNMEE (A/58/759/Add.8), the Advisory Committee recommended that the proposed 2004/05 budget for the Mission be reduced by $3,129,200 by deferring the conversion of 98 posts from the 300 series to the 100 series of the Staff Rules and reducing the amount requested for official travel. The Advisory Committee noted the Mission's success in lowering vacancy rates for international civilian personnel, and commended it on its efforts to undertake more training in its own area.

90. In its report on strengthening the security and safety of United Nations operations, staff and premises (A/58/758), the Advisory Committee recommended an additional appropriation of $7 million for 2004/05 in connection with the relocation of the Mission's vulnerable headquarters in Asmara. In view of the security problems facing UNMEE, it had also requested the Mission and the Department of Peacekeeping Operations to analyse the issue of moving the Mission's Addis Ababa headquarters back to the compound of the Economic Commission for Africa.

91. In its report on UNOMIG (A/58/759/Add.1), the Advisory Committee recommended reducing the Mission's proposed budget for 2004/05 by $425,000 to reflect its recommendations on the posts that had been proposed. It regretted the delay in finalizing the report on the April 2003 management review of the staffing requirements and structure of the Mission, which should have been incorporated into the proposals for 2004/05. Further delay would make the results irrelevant, given the new challenges confronting the Mission. The Board of Auditors should follow up the matter and changes in post levels and organizational structure should be postponed pending the results of the review.

92. The Advisory Committee had taken note of the financial performance report of UNIKOM for the period from 1 July 2002 to 30 June 2003 (A/58/759/Add.12).

93. In its report on UNMIK (A/58/759/Add.5), the Advisory Committee recommended reducing the Mission's proposed budget for 2004/05 by the amount of $7,585,600, which had been included in the proposed budget for converting staff contracts from the 300 series to the 100 series of the Staff Rules. Since the Mission was being downsized, the Advisory Committee recommended deferral of that action pending consideration by the General Assembly.

94. The Advisory Committee had also examined the OIOS report on the fraudulent diversion of $4.3 million by a senior staff member of UNMIK (A/58/592), and had enquired what steps had been taken to avoid a recurrence of fraud. It had been told that an inter-agency task force on corruption had been set up, that a joint UNMIK/European Union working group had been established to harmonize recruitment procedures, that UNMIK had used an available vacant post to strengthen its internal audit capacity and that the number of resident auditors would be increased from four to five.

95. In its report on UNDOF (A/58/759/Add.7), the Advisory Committee recommended reducing the proposed budget by a total of $186,400, reflecting its views on the proposal for recruitment of a P-3 security officer and the proposed conversion of 14 outsourced casual labour posts to national posts. The Advisory Committee intended to return to the matter of the security officer post, which was intended to replace a post loaned by the United Nations Truce Supervision Organization (UNTSO), in the context of the phase II comprehensive security plan to be presented to the Assembly at its fifty-ninth session by the Secretary-General. In the meantime, the Advisory Committee had recommended approval of a P-3 Chief of Security post for the Mission in its report on strengthening the security and safety of United Nations operations, staff and premises (A/58/758). The Advisory Committee also expressed its concern at the sharp increase in unbudgeted travel costs, and called for corrective measures to better control such expenditure.

96. In its report on the United Nations Interim Force in Lebanon (UNIFIL) (A/58/759/Add.6), the Advisory Committee recommended reducing the proposed budget by a total of $1,780,900, reflecting its recommendations against the conversion of 45 individual special service agreements into national posts under the 100 series of the Staff Rules and against additional funding to cover claims carried over from previous financial years, which might be seen as prejudging the outcome of the claims negotiation.

97. In its report on UNAMSIL (A/58/759/Add.3), the Advisory Committee recommended reducing the proposed budget by $2,817,600 and deferring the conversion of five posts from the 300 series to the 100 series of the Staff Rules pending consideration by the General Assembly. Moreover, a provision of $1,402,000 for the conversion of 125 posts to the 100 series of the Staff Rules had been erroneously included in the Mission's budget for post adjustment, which did not apply to individuals appointed under the 100 series. The Advisory Committee recommended abolition of the P-5 post in the former Office of the Deputy Special Representative of the Secretary-General for Operations and Management.

98. Given that the Mission continued to experience less than full incumbency for civilian personnel, the Advisory Committee recommended that the cost estimates under the budget line for such personnel should be adjusted accordingly. Although the same was true for military personnel, the information provided in the report of the Secretary-General of 19 March 2004 (S/2004/228) had convinced the Advisory Committee not to pursue its recommendation to reduce the estimate for such personnel by 3 per cent. Any additional requirements resulting from the Security Council decision on the Mission which exceeded the 2004/05 budget should be presented as revised estimates to be submitted to the General Assembly during the main part of its fifty-ninth session.

99. In its report on the United Nations Mission for the Referendum in Western Sahara (MINURSO) (A/58/759/Add.2), the Advisory Committee recommended reducing the Mission's proposed budget by $130,000 under official travel. It noted that, among other things, a training centre had been established at the Mission, which should reduce the requirement for training-related travel.

100. **Ms. Stanley** (Ireland), speaking on behalf of the European Union, the associated countries (Bulgaria, Romania and Turkey), the stabilization and association process countries (Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro and the Former Yugoslav Republic of Macedonia), and, in addition, Iceland and Liechtenstein, said that the European Union contributed large numbers of troops, civilian police and other personnel to peacekeeping operations under United Nations mandates throughout the world.

101. The European Security Strategy, adopted by the European Council in December 2003, signalled the Union's movement towards a more strategic approach in its external action, including an enhanced ability to respond to United Nations requests in short-term crisis-management situations. In establishing the European Union Peace Facility for Africa, the Union was responding to requests from the African Union and strengthening the efforts of Union members to support African peacekeeping capacities.

102. The European Union remained committed to peacekeeping, a core task of the United Nations, and to maintaining careful scrutiny of peacekeeping budget management. As the largest collective financial contributor to the peacekeeping budget, the European Union would examine the budgets of all missions and their support functions to make sure they were provided with adequate financing. The Secretariat should provide detailed information on the budgets of all forthcoming missions to facilitate speedy and informed decision-making.

103. While it welcomed the comprehensive reports containing overviews of the financing of peacekeeping missions, the European Union was disappointed that a number of important reports on cross-cutting issues, such as training, information technology and recruitment, would not be available to facilitate the Committee's analysis of peacekeeping activities. The Advisory Committee and the Bureau of the Fifth Committee should expedite consideration of those reports at the current part of the resumed session.

104. On the subject of recruitment, the European Union wished to discuss with the Department of Peacekeeping Operations external candidature procedures, particularly the selection of internal versus external candidates. It concurred with the Advisory Committee that the vital issue of average recruitment time must be addressed.

105. The European Union welcomed the evolving results-based format of the proposed budgets for peacekeeping operations and endorsed the recommendations of the Board of Auditors and the Advisory Committee, particularly on the need to enhance the capability of existing financial systems to support results-based budgeting and for clear drafting of expected accomplishments, indicators of achievement and planned outputs to facilitate objective measurement of progress.

106. It agreed with the Advisory Committee that the Secretariat should develop a coherent, comprehensive and cost-effective outsourcing policy, rather than issuing many individual special service contracts or trying to convert those contracts into actual posts. It was concerned that adequate information had not been provided on the important issue of the conversion of the contracts of staff employed in peacekeeping missions from the 300 series to the 100 series of the Staff Rules. More comprehensive information on the matter should be provided during informal consultations.

107. Peacekeeping missions were becoming more complex and multi-functional and the Secretariat must therefore coordinate and develop early mission

planning to promote efficiency and effectiveness. Information on the interaction between the Department of Peacekeeping Operations and the Department of Public Information and on the staffing of public information functions in the various missions would be particularly welcome.

108. The Union was aware that the Security Council was due to review the mandates of several peacekeeping missions and it was prepared to review the level of its funding. The Advisory Committee had proposed peacekeeping budget cuts sparingly, but expected further savings. The European Union supported that approach, and urged the management of missions to exercise their responsibilities accordingly, particularly in connection with rising expenditure on travel and training.

109. The Union noted the Advisory Committee's recommendation for a modest number of new posts to be added to the peacekeeping support account at a time of unprecedented increases in new missions. It welcomed the assurance that the Advisory Committee had considered the need for capacity to absorb new and expanding missions and to provide for a rapid deployment capability. The support account must be responsive to the level of activity in the field even if there was no rigid mathematical ratio between the two. The Union noted that the Peacekeeping Best Practices Unit had reached full strength, which should allow the limit to move rapidly towards its expected accomplishment of increased efficiency and effectiveness in conducting, managing, directing and supporting peacekeeping activities.

110. In 2003, the Fifth Committee had urged that all posts remaining vacant or unfilled for 12 months from the date of their establishment would require rejustification in subsequent budget submissions. The European Union was disappointed with the Secretariat's interpretation of that request and hoped that the guidance of the Advisory Committee would be followed when the Secretary-General reported to the Assembly at its fifty-ninth session on the implementation of its decision.

111. Turning to the report of the Board of Auditors, the European Union welcomed the view of the auditors that the financial position of peacekeeping operations had remained relatively stable, despite the level of outstanding contributions. It was pleased to note that the Board of Auditors was ensuring advantageous use of audit resources by coordinating its work programme with that of other oversight bodies. It, however, shared the concern of the Board of Auditors and the Advisory Committee that use of the new funds monitoring tool and the new policy on allotments for peacekeeping missions was not as smooth or flexible as had been hoped, but looked forward to its effective utilization after the additional training and enhancements described by the Secretariat had been implemented.

112. The Union concurred with the Advisory Committee's observations and recommendations regarding the United Nations Logistics Base at Brindisi and welcomed its suggestion that the role of the Steering Group on Strategic Deployment Stocks and its Finance Working Group should be significantly enhanced to make it an effective and efficient tool for a coordinated approach to stocks. It also looked forward to hearing from the Office of Mission Support on its efforts to refine and further develop policies for the management of stocks.

113. The Union would consider the proposal to transfer $11.047 million from the Peacekeeping Reserve Fund to the support account in the light of discussions on new missions. It also wished to reiterate that Member States must ensure that sufficient funds were available for all peacekeeping missions by making their payments in full and on time.

The meeting rose at 12.30 p.m.

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Summary record of the 41st meeting
Held at Headquarters, New York, on Tuesday, 4 May 2004, at 10 a.m.

Chairman: Mr. Kmoníček ..... (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

Contents

Agenda item 123: Improving the financial situation of the United Nations (*continued*)

Agenda item 118: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*)

Agenda item 134: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Agenda item 136: Financing of the United Nations Mission in Bosnia and Herzegovina (*continued*)

Agenda item 137: Financing of the United Nations Peacekeeping Force in Cyprus (*continued*)

Agenda item 138: Financing of the United Nations Organization Mission in the Democratic Republic of the Congo (*continued*)

Agenda item 141: Financing of the United Nations Mission in Ethiopia and Eritrea (*continued*)

Agenda item 142: Financing of the United Nations Observer Mission in Georgia (*continued*)

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Agenda item 143: Financing of the activities arising from Security Council resolution 687 (1991) (*continued*)

(a) United Nations Iraq-Kuwait Observation Mission (*continued*)

Agenda item 144: Financing of the United Nations Interim Administration Mission in Kosovo (*continued*)

Agenda item 145: Financing of the United Nations peacekeeping forces in the Middle East (*continued*)

(a) United Nations Disengagement Observer Force (*continued*)

(b) United Nations Interim Force in Lebanon (*continued*)

Agenda item 146: Financing of the United Nations Mission in Sierra Leone (*continued*)

Agenda item 147: Financing of the United Nations Mission for the Referendum in Western Sahara (*continued*)

The meeting was called to order at 10.05 a.m.

Agenda item 123: Improving the financial situation of the United Nations (*continued*)

Statement by the Under-Secretary-General for Management

1. **Ms. Bertini** (Under-Secretary-General for Management) said that the Organization required a strong financial base in order to carry out the many important tasks entrusted to it by Member States. Improving the financial situation of the United Nations therefore remained a high priority for the Secretary-General.

2. She would focus in her presentation on three main indicators: cash on hand; level of assessments and amounts paid; and debt owed to Member States. While 2003 had been a good year overall, some serious concerns remained. Cash balances at year-end had fallen slightly from $1,397 million in 2002 to $1,352 million at 31 December 2003. The results in respect of the second indicator were modestly encouraging: total unpaid assessments had been reduced by $81 million to $1,603 million, which was the lowest level since 1993. However, the amount owed remained substantial. The third indicator also showed a significant improvement. Total debt owed to Member States at 31 December 2003 had been $439 million, a reduction of $264 million compared with 2002.

3. Concerning cash balances, payments received and credits applied had exceeded assessments issued every year for the previous eight years, except in 2000. Thus, in 2003, payments had totalled $4 billion compared with assessments of $3.9 billion. The regular budget and related reserve accounts had finished the year with a net balance of $23 million owing to lower than anticipated receipts and disbursements. While that amount was lower than in 2002, no cross-borrowing had been required. A net balance of $16 million had been available for the capital master plan and would be carried over to the current financial period. The net balances of the peacekeeping accounts had totalled $1,386 million at year-end, which was $23 million more than in 2002 and $188 million more than had been forecast in October 2003. That outcome reflected higher than anticipated receipts and final disbursements that were 5 per cent lower than the projected level. Some missions, however, had experienced cash shortages and there had been limited scope for cross-borrowing. The cash position of the two International Criminal Tribunals had continued to deteriorate. Having ended 2002 with a small net deficit, they had had a shortfall of $73 million at the end of 2003.

4. With regard to the second indicator, level of assessments and amounts paid, she said that aggregate assessments had increased from $3.6 billion in 2002 to $3.9 billion in 2003. A small decrease of $24 million for peacekeeping had been more than offset by increases of $260 million for the regular budget, $26 million for the capital master plan and $18 million for the Tribunals.

5. She was pleased to announce that 131 Member States had paid their regular budget assessments in full by the end of 2003, breaking the negative trend evident since 2000, when the number had peaked at 141. Nevertheless, unpaid contributions had actually increased, totalling $442 million at year-end. The United States owed 61 per cent of the outstanding amount, Brazil 12 per cent, Argentina 9 per cent and Japan 4 per cent. Some 56 other Member States together owed 14 per cent of the total. Unpaid peacekeeping assessments at the end of 2003 had stood at $1,066 million, $269 million less than in 2002. The United States owed 45 per cent of that amount, while 8 of the 14 other major contributors together owed 25 per cent. As for the Tribunals, unpaid contributions had more than doubled, reaching $88 million at the end of 2003. Japan owed 46 per cent of the outstanding amount, the United States 14 per cent, the Russian Federation 12 per cent, Brazil 11 per cent and Argentina 5 per cent; 106 other Member States together owed the remaining 12 per cent.

6. In summary, while the overall position of peacekeeping accounts had improved, the position of the regular budget had slipped somewhat and the already precarious financial situation of the Tribunals had worsened considerably. She noted with satisfaction, however, that 27 Member States — Australia, Azerbaijan, Canada, Denmark, Fiji, Finland, Germany, Ghana, Honduras, Jordan, Kuwait, Latvia, the Libyan Arab Jamahiriya, Monaco, Mongolia, New Zealand, Norway, Portugal, Romania, Sierra Leone, Singapore, Slovakia, South Africa, Sweden, Switzerland, Trinidad and Tobago and the United Kingdom — had paid all their assessments in full by the end of 2003.

7. She was also pleased to inform the Committee that total debt owed to Member States for troop and equipment costs had fallen from $703 million at the beginning of the year to $439 million at 31 December 2003. New obligations for contingent-owned equipment had been significantly lower than expected owing to the delayed deployment of the Task Force and troops of the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) and the drawdown of the United Nations Mission in Sierra Leone (UNAMSIL), which had been faster than originally planned. In addition, higher than expected payments had been made for troop costs. In fact, the Organization had been able pay for troop costs in most missions up to the end of October 2003, rather than September as projected. The Secretary-General remained committed to reducing as far as possible the amount of debt owed to Member States, taking into account the requirements of missions. However, his ability to do so would depend on the extent to which Member States met their financial obligations to the Organization.

8. Turning to the prospects for 2004, she noted that, as at 30 April 2004, 18 States — Australia, Austria, Azerbaijan, Canada, Croatia, Denmark, Finland, France, Ireland, Kazakhstan, Latvia, Monaco, New Zealand, Singapore, Slovakia, South Africa, Sweden and Switzerland — had paid all assessed contributions that were due and payable.

9. The regular budget assessment for 2004 had increased by more than $73 million. By 30 April 2004, contributions of $661 million had been received, an increase of $26 million compared with the same period in 2003. By the same date, 77 Member States had paid their regular budget assessments in full, whereas 81 had done so in the first four months of 2003. Regarding cash flow, she noted with regret that current projections indicated the need for some cross-borrowing later in the year. The regular budget and related reserve accounts were expected to end the year with a cash deficit of $7 million. She therefore urged Member States to pay their arrears and their regular budget assessments for 2004.

10. Peacekeeping cash would total about $931 million at year-end. That figure took into account the planned return to Member States by 30 June 2004 of $84 million from cash balances in closed mission accounts. In addition, the General Assembly would shortly be requested to take a decision on the return of a further $94 million. Currently, total liabilities of closed missions were projected to exceed total cash in those missions. That would create serious problems, since cash from closed missions was the only source that could be used for cross-borrowing if the regular budget or the Tribunals ran out of cash.

11. The financial prospects for the Tribunals were bleak. Assessments in 2004 totalled $273 million, while payments received to date amounted to $180 million. The Tribunal accounts had been forced to borrow in January and February and might well have to do so again in July. According to current projections, the Tribunals would end the year with a cash deficit of $100 million. That prospect was unacceptable. The Administration had therefore frozen recruitment and scaled down operations. However, unless Member States made significant new payments in the very near future, further measures would be required. The magnitude of the financial crisis facing the Tribunals could not be overstated.

12. New obligations for troop and equipment costs would total about $949 million in 2004, compared with $607 million in 2003, owing to the phasing in of the United Nations Mission in Liberia (UNMIL) and the United Nations Operation in Côte d'Ivoire (UNOCI) and full deployment of MONUC, which would more than offset the downsizing of the United Nations Mission of Support in East Timor (UNMISET) and UNAMSIL. Payments to Member States for troop costs were forecast to increase from $454 million in 2003 to $567 million. However, payments for contingent-owned equipment were expected to fall from $417 million to $247 million. That projection reflected the delay between deployment of troops and equipment, signature of memorandums of understanding and certification of claims relating to new missions. The anticipated increase in the amounts owed for troops and equipment should be seen in the context of the upsurge in peacekeeping activities. If the Organization was to avoid rising levels of debt to troop contributors, it was essential for all Member States to pay their peacekeeping assessments in full and on time.

13. Although the overall financial situation of the United Nations had not changed dramatically, there were some causes for concern. Thus, while peacekeeping cash was expected to remain at a comfortable level, cash shortages persisted in the United Nations Interim Administration Mission in Kosovo (UNMIK) and the United Nations Mission for

the Referendum in Western Sahara (MINURSO) and debt to Member States was projected to increase. In the event that new missions were established, past experience suggested that assessments would not be received for up to 120 days. However, the Peacekeeping Reserve Fund, as a source of liquidity, was likely to be fully used. As for the Tribunals, their continuing operation was endangered by the substantial projected cash deficit.

14. The solution to those problems lay in the hands of Member States. Quite simply, they must meet their obligations to the United Nations in full and on time.

Agenda item 118: Financial reports and audited financial statements, and reports of the Board of Auditors (*continued*) (A/58/5, Vol. II, A/58/737 and A/58/759)

Agenda item 134: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*) (A/57/765, A/58/7, A/58/702, A/58/703 and Add.1, A/58/705, A/58/706, A/58/707, A/58/715, A/58/724, A/58/732, A/58/759 and Add.9 and A/58/760)

15. **Mr. Wins** (Uruguay), combining his delegation's comments on agenda items 118 and 134, expressed satisfaction at the 23 per cent reduction in pending payments for ongoing peacekeeping operations, which had reduced the delays in the reimbursement of troop-contributing countries. The reduced amounts of cash on hand for closed missions, however, gave cause for concern.

16. The ageing of unpaid assessments, with its varying uncertainty of recoverability, impacted on the Organization's ability to meet its financial obligations, especially since the United Nations did not make a provision for the possible non-collection of amounts owing from Member States. In the case of Uruguay, reimbursement for the troop contingent it had sent to Cambodia was still outstanding after 10 years. In its most recent report (A/57/767), the Special Committee on Peacekeeping Operations urged the Fifth Committee to find practical solutions to that long-standing matter. His delegation regretted that the report on the feasibility of consolidating the accounts of the various peacekeeping operations, which the General Assembly, had requested to be submitted at its fifty-eighth session had not yet been issued. It agreed with the observation of the Board of Auditors that the financial statements for peacekeeping operations reflected too many long-outstanding and unresolved issues and wondered how the Secretariat viewed the alternatives available to the General Assembly for resolving the problem, particularly whether surplus interest generated by the Peacekeeping Reserve Fund could be used to begin eliminating the debts owed to Member States for closed missions. The Secretariat should play a more dynamic role in finding a solution.

17. His delegation also had concerns about the lack of developing country participation in the procurement system. Steps should be taken to ensure that all staff associated with the procurement process were aware of the procurement guidelines.

18. As a troop-contributing country, Uruguay was concerned about contracts for supplying rations and about the conditions in which food arrived, considerations which were important for maintaining the morale of troops. It shared the doubts expressed by the Advisory Committee that a contractor with limited air resources would be better able to deliver rations to MONUC than the Mission itself with its large and underutilized air fleet. The eating habits of troops should also be taken into account when concluding contracts with food suppliers.

19. **Mr. Wittmann** (United States of America) said that the report of the Board of Auditors had provided Member States with a comprehensive overview of the financial condition and operation of peacekeeping missions, which had grown considerably in size, complexity and cost in recent years. The work of the auditors on the ground helped to build a culture of accountability in the United Nations, which was responsible for ensuring compliance with regulations and for ensuring that the funds provided by Member States were not wasted. The accountants and auditors also provided valuable information and advice for programme managers to use in refining and improving their operations. The role of the Board of Auditors as the external oversight body for the United Nations was an essential part of the ongoing efforts to maintain and improve financial management and accountability at all levels of the Organization.

20. His delegation had been pleased to learn from the auditors that the many improvements in the management of peacekeeping operations had been based largely on the implementation of previous audit recommendations. However, it had been frustrated and

disappointed to read of continuing instances of mismanagement, lengthy procurement delays and lack of compliance with regulations and procedures. Although his delegation understood that peacekeeping operations functioned under highly dynamic and often difficult circumstances, that did not excuse lapses in management and internal controls. Instead, managers and their staff should use the difficult conditions to pursue good management practices forcefully.

21. His delegation would like clarification on a number of issues. First, it would welcome information on the additional steps being taken to expedite property write-offs. Although the process had become more rapid, most of the items written off by 30 June 2003 had been pending for nearly a year. It would also be interesting to learn of the steps that were proposed to settle long-outstanding accounts payable to Member States and of the Secretariat's efforts to resolve the issues of the voluntary contributions receivable for the United Nations Peacekeeping Force in Cyprus (UNFICYP) that had remained unpaid as at 30 June 2003 and of the unrecorded cumulative obligations in the accounts of UNFICYP.

22. His delegation also wished to know what steps were being taken to ensure that the Procurement Division was capable of supporting the strategic deployment stocks. It was concerned at the finding of significant lapses in the replenishment of the strategic deployment stocks and at the fact that no written agreements had been drawn up to hold the missions liable for the timely repayment of agreed costs and would therefore welcome information on the progress that had been made in rectifying the situation. Lastly, his delegation was disturbed that the problems of procurement delays still permeated the Organization and called on management to take the necessary steps to hold programme managers responsible for implementing audit recommendations. The Secretariat should take all the action needed to address the problems described in the Board's report so that peacekeeping operations could become even more effective and efficient.

23. **Ms. Lock** (South Africa), speaking on behalf of the African Group, said that the Group attached great importance to the oversight functions of the United Nations and fully supported the work of the Board of Auditors. The Group had been pleased to note the Administration's increasing compliance with the recommendations of the Board and shared the view of the Advisory Committee that the Board should monitor not only the rate but also the quality of implementation of recommendations. For the period ending on 30 June 2003, the Group noted the recurrence of a number of findings which the Board had made in previous audits and urged the Secretariat to establish responsibility and time frames for implementation.

24. Despite the relatively stable financial situation of peacekeeping operations and the improvement in the settlement of debts owed to the Member States, the Group remained concerned at the impact of ageing unpaid assessments, with its varying uncertainty of recoverability, on the Organization's ability to meet its financial obligations. The shortfall of cash in several active and closed missions affected the Organization's ability to settle outstanding liabilities and reimburse troop-contributing countries, many of which were in Africa, as well as the functioning of some active missions. All Member States should therefore pay their assessed contributions in full, on time and without conditions.

25. The Group was encouraged by the Administration's progress in closing inactive trust funds, clearing outstanding contingent liabilities for services provided to closed missions in Angola and limiting the reconciling entries of non-expendable equipment. The Secretariat should also prevent unnecessary delays in the write-off and disposal of equipment, undertake disposal of obsolete equipment in the financial interest of the Organization, avoid inconsistencies in identifying and recording obsolete equipment and review asset-management policies to avoid the accumulation of ageing equipment at peacekeeping missions.

26. The Group recognized that the strategic deployment stocks were at an early stage of implementation and that valuable lessons would be drawn from the deployment of stocks to the missions in Côte d'Ivoire and Liberia. The Secretariat should take the action identified by the Board to ensure the timely funding and replenishing of stocks, proper recording of transactions and shipments and rotation of stocks before they reached critical levels, especially in the light of deployment of newly established missions.

27. The Group was encouraged that the Secretariat and the World Food Programme (WFP) had jointly developed and disseminated new aviation standards for peacekeeping and humanitarian air transport and

looked forward to receiving the proposed assessment on compliance with the new standards and on their contribution to improving the management of air assets and air safety. Some peacekeeping missions, however, were not always completing liability waiver forms or conducting aviation surveys, thereby placing the Organization at risk. While the Group recognized that the Administration had taken steps to address the findings of the Board that peacekeeping missions repeatedly failed to submit performance evaluation reports to Headquarters, thus hampering the evaluation of vendors' performance or of air operators' compliance with contracts, further measures were needed to ensure that contractors met the technical requirements for the safety and cost-effectiveness of air operations.

28. The Administration should expedite the implementation of a code of ethics to govern procurement and contract management. The Group supported the recommendations for action to reduce lead times in the procurement cycle, ensure timely submission and effective use of procurement plans by peacekeeping missions, pre-qualify vendors before placing them on the roster, evaluate the most recent financial information of prospective vendors and prevent the renewal or extension of contracts in the absence of vendor evaluations. Increased delegation of authority to missions should expedite the procurement process and empower procurement officers to increase procurement from local and regional economies that were burdened by conflict.

29. The Group welcomed the increased coordination and collaboration between oversight bodies in the planning of audit activities with a view to promoting optimal use of audit resources, complementarity of efforts and wider coverage of audit areas. It recalled the Assembly's request to the Secretary-General and the executive heads of funds and programmes to examine governance structures, principles and accountability throughout the United Nations system and reiterated its request to the Secretariat for an update on the status of the review.

30. **Mr. Farid** (Saudi Arabia) welcomed the Advisory Committee's recommendation to increase coordination between oversight bodies and the increase in the number of measurable indicators in the budget proposals for 2004, but remained concerned at the inability of the existing financial system to attribute, monitor and record automatically operational resources and costs within the results-based budgeting framework for each mission. Action must be taken to remedy that situation and to develop financial systems linked to a comprehensive programme information system in order to ensure that requests for resources could be directly attributed to outputs and accomplishments and to facilitate performance measurement and reporting. He was also concerned that indicators of achievement and outputs for a number of missions had not been precisely stated and that the Office of Internal Oversight Services (OIOS) had found the average lead time for recruitment to be significantly higher than the goal of 120 days.

31. With regard to the conversion of posts from the 200 series to the 100 series of the Staff Rules, his delegation would welcome clarification of its full financial implications, the impact on current recruitment policy of not opening up the jobs in question to competition, the possible changes in the application of the 300 series of the Staff Rules, the Secretariat's mandate for transferring posts from the 300 series to the 100 series of the Staff Rules, and the impact of that measure on the geographical distribution of staff.

32. It concurred with the Advisory Committee that the use of executive jets by missions must be kept under review and that conflicts of interest in the procurement process must be prevented by maintaining a separation of duties of all staff involved in procurement. It was concerned that staff involved in procurement for UNAMSIL, UNMISET, the United Nations Disengagement Observer Force (UNDOF) and MONUC had been unaware of the procurement guidelines and wished to know what corrective measures would be taken.

33. His delegation would welcome clarification of the practice of certain missions that registered prospective vendors in their computer rosters without pre-qualifying them as they were required to do under section 5.04 of the Procurement Manual. It agreed with the Board's recommendation that the Administration should record all shipments from strategic deployment stocks in the Integrated Management Information System (IMIS) simultaneously with their transfer, but would welcome further clarification of that recommendation and of the different methods of replenishing stocks, which resulted in undue waiting periods.

34. **Mr. Halbwachs** (Controller) said that the Secretariat valued the observations of the Board of Auditors and many improvements could be attributed directly to the Board's past recommendations. The Secretariat would provide answers to the questions from the Member States during informal consultations, but he wished to address some specific issues right away.

35. With regard to accounts payable, unpaid debts to Member States were a long-standing problem to which the only solution was prompt and full payment of contributions. One aspect of the problem was that some missions had no financial resources because no contributions had been assessed and the Organization could not deny troop-contributing countries payment in order to make payment to other countries. The second aspect was that the Organization was in a position to credit payments to some Member States, but was awaiting instructions from those States, which could specify, for example, that the credit should be offset against a particular mission contribution or provided as a reimbursement.

36. With regard to accounts receivable, in the particular case of UNFICYP, the Secretariat had written to Member States asking whether they proposed to pay voluntary contributions or to have their contributions offset against amounts due by June 2003 and, on the basis of their replies, would propose a write-off against the $6.4 million of contributions receivable. The Secretariat had also written to several Member States to request a write-off of their claims payable for earlier participation in the mission, but they had declined. The Secretariat would continue its efforts to deal with the contributions receivable and with unrecorded liabilities, but had few options for a solution in the long term.

37. To address the delays in writing off property, all field missions had a new electronic inventory system, Galileo. Quarterly inventory reports had also been introduced to speed up the process and the next report of the Board of Auditors would confirm whether or not there had been an improvement.

38. **Mr. Park** Yoon-June (Republic of Korea) said that the report of the Board of Auditors on United Nations peacekeeping missions provided a useful means of monitoring and evaluating one of the most important functions of the Organization and its recommendations should be implemented in full.

39. While noting the relative stability of the financial position of peacekeeping operations, his delegation was concerned that some assessed contributions from Member States had remained outstanding for some time, thereby affecting the Organization's ability to meet its financial obligations and maintain its credibility. The fact that many of the outstanding contributions were for closed missions increased the uncertainty that they would be recovered and complicated the financing of current missions. In that connection, his delegation looked forward to the comprehensive report of the Secretary-General on the feasibility of consolidating the accounts of the various peacekeeping operations.

40. On the important issue of the safety and cost-effective management of air operations in peacekeeping missions, his delegation looked forward to the report of OIOS on air safety and took note of the Board's finding of an unexpended balance in the air operations budget, which should more closely reflect actual operations.

41. His delegation was concerned at the protracted nature of the process of property write-off and disposal. The Secretariat should re-examine its asset-management policy, emphasizing the timely replacement of assets in order to avoid the accumulation of ageing equipment and to address delays in the write-off and disposal process.

42. The absence of written agreements for transfers from the strategic deployment stocks to non-peacekeeping missions and agencies jeopardized the stable management of those stocks. The Secretariat should therefore take action against the factors that hampered the acquisition and replenishment of stocks and adopt a replenishment method that was consistent with the policies of peacekeeping missions and other United Nations entities.

43. His delegation was dismayed at the eight cases of fraud and presumed fraud that had been reported to the Board of Auditors and hoped that all the allegations would be cleared up in a timely and effective manner.

44. **Mr. Ozawa** (Japan) said that the reforms of the Organization were beginning to bear fruit, as evidenced by the revival of peacekeeping operations. Ironically, however, the continued establishment and deployment of peacekeeping operations was starting to cast a shadow over that revival. It was becoming increasingly difficult for Member States to shoulder the financial

burden of peacekeeping and that situation would only worsen with the proposed increase in the budget for the period 2004/05. Member States should therefore consider whether peacekeeping operations should continue to engage in development and human rights activities, which other international organizations were better equipped to undertake. More serious thought should be given to whether the current practice was truly beneficial for the international community as a whole.

45. In order to improve the situation, four issues should be addressed. First, when deciding to establish a peacekeeping mission, the Security Council must also formulate an exit strategy setting out concrete benchmarks for the measurement of progress made in the execution of mandates. Progress should be reviewed periodically and operations downsized in proportion to the progress made. Lastly, missions must be liquidated promptly upon completion of their mandates.

46. Secondly, in view of the expected establishment of large-scale missions in Burundi and Sudan, the lessons learned from the rapid deployment of operations in Liberia, Côte d'Ivoire and Haiti should be compiled, thoroughly analysed and reflected in future policies. Hasty revision of the new financing measures, such as the strategic deployment stocks, the Peacekeeping Reserve Fund and the granting of pre-mandate commitment authority to the Secretary-General, in order to accommodate short-term needs, would give rise to negative system effects. OIOS, the Board of Auditors and the Peacekeeping Best Practices Unit had significant roles to play in that regard.

47. Thirdly, the reform of the Secretariat, which played an essential role in the establishment and deployment of peacekeeping missions, should be vigorously pursued. To that end, the report of OIOS on the evaluation of the impact of the recent restructuring of the Department of Peacekeeping Operations (A/58/746) was extremely useful, particularly its observation that the linkage between the budgetary benchmarks and the Security Council reporting process should be strengthened. His delegation was concerned that the staff composition of the Department of Peacekeeping Operations did not reflect equitable geographical distribution, and it intended to pursue that issue at the fifty-ninth session of the General Assembly in the context of the discussions on human resources management.

48. Lastly, in order to avoid a situation in which rapidly-growing peacekeeping budgets became unaffordable for Member States, serious consideration should be given to rationalizing the reimbursement of peacekeeping expenses. As a troop-contributing country, Japan was ready to discuss that issue. Furthermore, the activities subject to reimbursement should be strictly verified.

49. **Ms. Lock** (South Africa), speaking on behalf of the African Group, said that, in view of the importance of peacekeeping operations as a mechanism for the maintenance of international peace and security, the General Assembly should ensure that adequate resources were authorized for missions established by the Security Council and the Secretariat that approved resources were managed with maximum efficiency and economy.

50. The Group took note of the information provided in the report of the Secretary-General on the overview of the financing of the United Nations peacekeeping operations (A/58/705) on a number of cross-cutting issues, including procurement and inventory management. It was disappointed, however, that specific reports on cross-cutting questions would not be submitted to the Committee. The Group would consider the resource requirements for individual missions, the support account and the United Nations Logistics Base (UNLB) in light of the justifications set out in the respective submissions. She welcomed the revised format of the peacekeeping budgets following the adoption of results-based budgeting, but expressed concern over the inability of IMIS to adapt to the requirements of results-based budgeting. In that regard, the observations and recommendations of the Advisory Committee should be given careful consideration.

51. The Secretariat's performance in the area of recruitment continued to be disappointing. Despite its assurances that the Galaxy system would reduce recruitment and deployment time, the average time taken to recruit and place successful candidates in peacekeeping missions was still significantly higher than the target of 120 days. The African Group would be grateful for updated information on the situation and reiterated its support for the recruitment of suitably qualified candidates from the regions in which missions were located. It was also awaiting the speedy application of widespread delegation of authority for recruitment.

52. The recruitment of civilian personnel at grades lower than those authorized called into question the transparency and credibility of the recruitment process and further explanations were needed from the Secretariat.

53. The African Group took note of the observations and recommendations of the Advisory Committee on the wholesale conversion of peacekeeping mission staff from the 300 series to the 100 series of the Staff Rules, in particular the view that such an action implied a policy change, which should be reported to the General Assembly.

54. The Group took note of the attempts to improve the budgets for air operations, including the introduction of a new cost structure for aircraft contracts. On the subject of procurement, the failure to promulgate a code of ethics for the procurement process was a matter of concern, since the risk of possible conflicts of interest was real. The Group looked forward to the arrangements being developed by the Department of Peacekeeping Operations and the Department of Management to enhance field procurement mechanisms. It took due note of the observations and recommendations of the Advisory Committee and the Board of Auditors on the subject of asset management and hoped that the Secretariat would be able to elaborate further on practices in that area, in particular the rationale for transferring vehicles with high mileage from the United Nations Mission in Bosnia and Herzegovina (UNMIBH) to missions in Africa.

55. Member States had a shared responsibility to ensure that the United Nations had adequate human, material and financial resources to establish peacekeeping operations within the agreed frameworks for rapid deployment. For its part, the Secretariat should explore the creation of regional management structures in order to realize the full potential of a regional support system.

56. The African Group, lastly, supported the efforts that were under way to improve internal control mechanisms for peacekeeping resources, provide training for staff, and expedite the processing of claims for reimbursement of troop costs and contingent-owned equipment.

57. **Mr. Mazumdar** (India) welcomed the improvements in the content, structure and presentation of the reports of ACABQ. The integration of the reports under agenda items 118 and 134 was useful in that it linked work done by the Board of Auditors with the relevant observations and recommendations of ACABQ. With regard to the reports submitted by the Secretariat, he welcomed the improvements in results-based budgeting and the increased levels of compliance with the recommendations of the Board of Auditors. However, he was disappointed at the Secretariat's failure to comply with the Assembly's request for a number of reports on cross-cutting peacekeeping-related issues.

58. Although the total proposed budget for peacekeeping for 2004/05 had decreased marginally from the previous year, a number of new missions were likely to be established or expanded in 2004. The proposed requirements for the support account for 2004/05 took account of the need to ensure capacity to absorb those missions and to provide for a rapid deployment capability.

59. Turning to human resources issues, he called on the Secretariat to provide adequate justification for posts that had remained unfilled as of 1 May 2004, including information on how the functions of those posts had been discharged while they were vacant, so that the Committee could take a decision on whether or not they should be continued. He was concerned at the continuing high vacancy rates in several missions, particularly in Africa. Timely recruitment was essential, and unless drastic improvements were made, upcoming operations might be jeopardized. The Department of Peacekeeping Operations must strive to adhere to the target of 120 days set by the Office of Human Resources Management for the recruitment and deployment of Professional staff. Moreover, the appointment of staff in many missions at grades lower than those authorized raised the issues of whether the Committee was approving posts at the appropriate level and whether the functions concerned could be carried out at a lower level.

60. The proposed conversion of professional and national staff from the 300 series to the 100 series of the Staff Rules was also a matter of concern. Such policy decisions should not be taken without specific authorization from the General Assembly and the conversion of those staff completing four years of service in 2004 should therefore be suspended until the General Assembly had had the opportunity to consider all its implications.

61. While the efforts of the Department of Peacekeeping Operations to promote information-sharing on best practices and lessons learned were commendable, United Nations policies and procedures must be followed uniformly in all missions. The fact that, in a number of missions, staff associated with the procurement process had been unaware of guidelines in that area was therefore a matter of serious concern. His delegation was also disappointed that the comprehensive report on procurement and contract management had not been submitted in time for the current part of the resumed session.

62. The request of ACABQ that the Secretariat should look into the feasibility of extending the time between rotation of contingents beyond six months should be discussed in the Special Committee on Peacekeeping Operations before any recommendation was made. He concurred with ACABQ that financial considerations should not be the predominant factor in decisions relating to troops' living quarters or rations.

63. The acquisition and replenishment of the strategic deployment stocks had taken on added importance in view of the proposed new missions. He shared the concerns expressed by ACABQ regarding the transfer of unwanted vehicles from a number of missions to UNLB and the transfer of vehicles with high mileage from Europe to Africa. He also endorsed the recommendation made by the Board of Auditors and ACABQ that the Department of Peacekeeping Operations should ensure that all missions implement an assets replacement programme in a cost-effective manner and in strict compliance with the guidelines on life expectancy of assets.

64. While the Secretariat had made good progress in reducing the outstanding liabilities for troops and contingent-owned equipment, the non-payment of assessed contributions for current missions had resulted in non-payment for contingents currently on the ground. The Administration should therefore continue to search for avenues to settle amounts owed to Member States that had remained unpaid for long periods of time. His delegation regretted the Secretariat's failure to prepare the report on the consolidation of accounts which the General Assembly had requested at its fifty-seventh session.

65. His delegation also wished to record its disappointment at the failure of the Working Group on Reimbursement of Contingent-owned Equipment to reach consensus on a number of important issues, including rates of reimbursement and the methodology for revising those rates in respect of troop costs. Those issues should be discussed by the Committee at the earliest possible opportunity.

66. **Ms. Wang** Xinxia (China) said that United Nations peacekeeping operations had played an important role in containing conflicts, stabilizing post-conflict situations and averting humanitarian crises during the previous year. The effectiveness of the operations in the Democratic Republic of the Congo, Sierra Leone and Timor-Leste had been particularly noteworthy. However, the increasing demand for new missions was placing an unprecedented financial burden on Member States and ways must therefore be found to balance the increasing demand with the Organization's limited capacity and to ensure the sustainability of United Nations peacekeeping operations. Member States must honour their financial commitments and provide peacekeeping operations with the necessary financial and human resources. In addition, strengthening the peacekeeping capacity of regional and subregional organizations was an effective way of complementing the inadequacies of the United Nations. Since most current United Nations peacekeeping missions were located in Africa, the Organization's top priority should be to enhance regional capacity on that continent. In addition, in order to ensure that limited resources could be used where they were most needed, peacekeeping operations in areas where the situation had been stabilized should be downsized and liquidated in a timely manner.

67. **Mr. Abbas** (Pakistan) said that, as the largest contributor of troops to United Nations peacekeeping operations, Pakistan was committed to improving the effectiveness of those operations in all their aspects. Peacekeeping was an expensive task that required careful planning and implementation in order to achieve the desired results.

68. The Secretary-General's report on the overview of the financing of peacekeeping operations (A/58/705) provided useful information on trends in the financial and human resources management of peacekeeping operations. He welcomed the improvements made to the budgeting of those operations, in particular the new results-based approach, measurable indicators and enhanced linkages between outputs and achievements. However, those improvements would yield optimum results only when missions were able to make full and

efficient use of their approved resources and achieve their financial and management objectives in a timely manner. He hoped that the development of the Galileo and Saturn management systems would be instrumental in that regard. Given the expected establishment of additional peacekeeping operations, the total proposed level of resources for 2004/05 would probably increase. The Secretariat should therefore make more efficient use of its financial and human resources in order to meet future needs without compromising the quality of field operations.

69. He was concerned at the high vacancy rates in several missions and hoped that, following the establishment of new missions, the Secretariat would make every effort to recruit suitable personnel, preferably from major troop-contributing countries, since they had the greatest experience in the area of peacekeeping. The Galaxy system should therefore be improved and the recruitment process expedited. The current reduction in the number of posts due to downsizing should not be allowed to affect the performance of field missions or the support provided to them.

70. The cost of equipping, training and sustaining peacekeeping troops in the field was rapidly increasing and the current reimbursements system had exacerbated the problems facing troop- and equipment-contributing countries. Moreover, the failure of the contingent-owned equipment working group to reach a consensus at its recent meeting and the late payment of assessed contributions by certain Member States had negative repercussions on the overall performance of peacekeeping operations.

71. The most expensive component of the operational cost of peacekeeping operations was air transportation, which accounted for 12.8 per cent of the total budget. While he welcomed the efforts being made by the Department of Peacekeeping Operations to improve the efficiency of that component, crucial factors, such as rapid deployment time lags and air safety, should not be compromised.

72. Lastly, given that effective pre-deployment and field training for key peacekeeping personnel was essential for successful operations, he was concerned at the decline in the budget allocation for training.

73. **Mr. Wittmann** (United States of America) said that he was encouraged by the continued development of the results-based budgeting format, which made it easier to understand the desired outputs and indicators of achievement, but agreed with the recommendation of ACABQ that more clearly mission-specific objectives should be used in budget documents. He wished to know whether future performance reports would indicate those objectives that had not been achieved and expressed support for the continued exclusion of repetitive or less important information from budget reports, which had become more clearly focused and transparent as a result. Delegations should ask for clarifying information only when the document in question did not contain sufficient details.

74. He echoed the praise for the quality and range of the work carried out by the Peacekeeping Best Practices Unit. As more lessons were learned and disseminated, greater efficiency should lead to savings. The Unit showed commendable foresight in identifying potential new issues, such as trafficking in persons, with which peacekeepers might be faced. He looked forward to the further development of a human trafficking framework, as outlined in the Unit's draft policy paper on the subject.

75. Given the likelihood that some missions would be downsized, efforts should be made to retain qualified staff and to reassign them to other missions in order to preserve their expertise for the benefit of the organization.

76. With regard to the planned conversion of posts from the 300 series to the 100 series of the Staff Rules, he welcomed the Secretary-General's decision to suspend the practice until the General Assembly had examined the question in greater detail. In respect of those employees who would reach the four-year limit for employment under the 300 series of the Staff Rules before the matter was resolved, his delegation was willing to consider measures to ensure that they were not put at a disadvantage pending a decision. With regard to the Advisory Committee's observation that there had been a larger than expected occurrence of lower level staff being recruited for higher level positions, the Secretariat should examine the need for the higher classifications if lower grade employees were performing the relevant duties satisfactorily.

77. On the issue of the strategic deployment stocks, he hoped that the difficulties being experienced with replenishment would be ironed out with the help of the Steering Group. His delegation would be willing to

consider further proposals for the establishment of regional logistical hubs.

78. Member States must be mindful of the fact that every dollar counted in a peacekeeping operation's budget that might grow to unprecedented proportions. Fiscal discipline must be maintained regardless of how many new missions were launched in the year ahead. The United States recognized the difficulties caused by the late or incomplete payment of assessed contributions and had taken steps to make its own payments with a minimum of delay compared to other periods.

79. **Mr. Tootoonchian** (Islamic Republic of Iran) expressed concern about the late issuance of documentation, which had limited the time available for in-depth study of reports. Given the increasing level of resources required for peacekeeping activities, it would be reasonable to allocate more time for consideration of peacekeeping budgets. It was also important, in determining appropriations, to maintain a balance between peacekeeping and other mandated activities. To that end, the financing of the various aspects of the Organization's work should be considered in a coordinated manner.

80. Peacekeeping was a crucial task. Accordingly, sound administrative and budgetary arrangements were necessary to ensure that each mission was well equipped to carry out its mandate. Member States must strengthen their oversight mechanisms and fulfil their commitments in support of peacekeeping operations in order to help the Secretariat carry out its work efficiently and effectively. The possibility of consolidating the accounts of the various peacekeeping operations required careful consideration. In that connection, he stressed that efforts to improve the management of the financial resources of peacekeeping operations would prove fruitless unless they were accompanied by similar initiatives in the area of human resources management.

81. The total requirements for United Nations peacekeeping operations for the period 2004/05 amounted to $2.7 billion. That figure did not, however, include the requirements for new operations, which could increase the peacekeeping budget level to more than $4 billion. He urged the Secretariat to provide the Committee at the current part of the resumed fifty-eighth session with updated information on the budget estimates for those missions. His delegation agreed with the Advisory Committee that the proposal for the conversion of peacekeeping mission staff from the 300 series of the Staff Rules to the 100 series should be submitted to the General Assembly. It also concurred with the Secretary-General's recommendation that the level of the Peacekeeping Reserve Fund should be maintained at $150 million. However, it believed that the balance in excess of that amount should be retained so as to ensure that the start-up requirements of the new missions could be met.

82. **Mr. Park** Yoon-june (Republic of Korea) said that, in the light of the surging costs of peacekeeping activities, it was important for each mission to have a built-in exit plan. It was also necessary to enhance the efficiency and effectiveness of peacekeeping operations through constant improvements in planning, organization and management. He hoped that the discussions in the Committee would contribute to that goal. Noting the value of collaboration among Member States, he emphasized the need for consultations between the Security Council and the major financial contributors on decisions concerning the establishment of new missions or the expansion of existing ones.

83. His delegation concurred with the Advisory Committee that the conversion of peacekeeping mission staff from the 300 series of the Staff Rules to the 100 series should be deferred pending consideration of the matter by the General Assembly. It was troubled that the Secretariat had sought to bypass the Assembly and trusted that, in future, it would be more transparent, especially where human resources management was concerned. In that connection, it wished to reiterate its strong belief in the need for equitable geographical distribution in the staff composition of the Department of Peacekeeping Operations.

84. While training costs represented a significant portion of the total operational costs of peacekeeping operations, the impact of training remained difficult to measure. His delegation therefore endorsed the recommendation of the Advisory Committee and the Board of Auditors that the staff performance appraisal system should be properly used to identify training requirements and evaluate achievements of individual staff members. It also agreed with the Advisory Committee that as more staff were trained, the requirements for training should decrease, particularly in missions that were no longer growing or were in the process of downsizing.

Agenda item 136: Financing of the United Nations Mission in Bosnia and Herzegovina (*continued*) (A/58/632, A/58/720 and A/58/759/Add.11)

Agenda item 137: Financing of the United Nations Peacekeeping Force in Cyprus (*continued*) (A/58/631, A/58/644, A/58/644/Corr.1 and A/58/759/Add.4)

Agenda item 138: Financing of the United Nations Organization Mission in the Democratic Republic of the Congo (*continued*) (A/58/684, A/58/701 and A/58/759/Add.10)

Agenda item 141: Financing of the United Nations Mission in Ethiopia and Eritrea (*continued*) (A/58/633, A/58/658 and A/58/759/Add.8)

Agenda item 142: Financing of the United Nations Observer Mission in Georgia (*continued*) (A/58/639, A/58/640 and A/58/759/Add.1)

Agenda item 143: Financing of the activities arising from Security Council resolution 687 (1991) (*continued*)

(a) United Nations Iraq-Kuwait Observation Mission (*continued*) (A/58/630 and A/58/759/Add.12)

Agenda item 144: Financing of the United Nations Interim Administration in Kosovo (*continued*) (A/58/634, A/58/638, A/58/592 and A/58/759/Add.5)

Agenda item 145: Financing of the United Nations peacekeeping forces in the Middle East (*continued*)

(a) United Nations Disengagement Observer Force (*continued*) (A/58/641, A/58/642 and A/58/759/Add.7)

(b) United Nations Interim Force in Lebanon (*continued*) (A/58/637, A/58/659 and A/58/759/Add.6)

Agenda item 146: Financing of the United Nations Mission in Sierra Leone (*continued*) (A/58/660, A/58/661 and A/58/759/Add.3)

Agenda item 147: Financing of the United Nations Mission for the Referendum in Western Sahara (*continued*) (A/58/642, A/58/642/Corr.1, A/58/657 and A/58/759/Add.2)

85. **Mr. Obame** (Gabon), speaking on behalf of the African Group on the financing of MONUC, stressed the importance the African Group attached to the role of the United Nations in maintaining peace and security on the African continent in general and in the Democratic Republic of the Congo in particular. Given the magnitude and complexity of the task assigned to MONUC, the General Assembly had a responsibility to provide it with adequate resources.

86. The Group took note of the performance report on the budget of MONUC for the period from 1 July 2002 to 30 June 2003 (A/58/684) as well as of the actual indicators of achievement contained in table 2 of the related report of the Secretary-General (A/58/705). It recognized that the Mission's performance had been affected by factors such as the delayed deployment of troops, the slower pace of disarmament, demobilization, repatriation, resettlement and reintegration (DDRRR) programmes, and the outbreak of hostilities in various parts of the country, which had resulted in the revision of the Mission's mandate in accordance with Security Council resolution 1493 (2003). Nevertheless, some of the difficulties which had resulted in underexpenditure in previous financial periods had been overcome and the Group stood ready to consider the assessment of any additional funds that might be required for the remainder of the 2003/04 financial period.

87. For the financial period from 1 July 2004 to 30 June 2005, the proposed increase of $77.3 million was due largely to full deployment of military and civilian personnel, international and national civilian staff, and aircraft. The continuing high vacancy rates for international staff was a source of concern and impaired the effectiveness of the Mission and its ability to contribute to the peace process and even the credibility of the United Nations. Every effort must be made to fill vacant posts and the Mission itself should use its increased authority for recruitment purposes to address that situation.

88. The African Group welcomed the progress made by the Mission in fulfilling its mandate. It had contributed to the achievement of a political settlement, improvement of the conditions of the

population, protection of children and other vulnerable groups, promotion of women's participation in society, increased respect for human rights and progress towards voluntary disarmament, demobilization, repatriation, resettlement and reintegration. The additional posts requested by the Secretary-General would be needed to assist in the organization of the constitutional referendum and national elections. It was imperative that the Organization support the preparations for the elections by providing the Mission with adequate human and financial resources. The African Group also took note of the indicators of achievement for the 2004/05 period.

89. The Group shared most of the views expressed by the Advisory Committee in its report (A/58/759/Add.10) and would pursue those during informal consultations. It was keenly interested in discussing efforts to improve the air operations budget to make it more reflective of actual operations. Some important issues highlighted by the Advisory Committee, such as those related to rations and the lack of training for personnel responsible for procurement deserved further consideration. The conditions of staff in the field needed to be urgently improved. The Group looked forward to receiving further information on the standard operating procedures for rapid deployment and on the lessons learned from the first cycle of the rapid deployment roster.

90. **Ms. Lalić-Smajević** (Serbia and Montenegro) said that the purpose of the international presence in Kosovo was to maintain law and order, promote human rights and ensure the safe and unimpeded return of all refugees and displaced persons. She regretted that the outbreak of orchestrated violence, intimidation and ethnic cleansing on the part of the Kosovo Albanian extremists in Kosovo and Metohija from 17 to 19 March 2004 had shown that UNMIK and the Kosovo Force (KFOR) had failed to fulfil those obligations.

91. Given that UNMIK continued to shoulder a major share of responsibilities for administration in Kosovo, the anticipated reductions in the proposed budget for the period from 1 July 2004 to 30 June 2005 should be reconsidered in the light of those recent tragic events. Any reductions should not affect the resources allocated for security and the protection of minority rights, including freedom of movement and the right of return, which should in fact be increased. Furthermore, the proposed 80 per cent increase in the number of cases of murders and serious assaults committed against minorities which would be tried by local rather than international judges and prosecutors was unacceptable, especially after the latest events.

92. The confidence of the Serbian community in the Interim Administration had been seriously undermined and the transfer of responsibilities that had a direct impact on the security and rights of minorities in a province should be in proportion to the capacity, sense of responsibility and results achieved by the local authorities.

93. Lastly, the report of the Secretary-General on the budget for UNMIK (A/58/638) contained inappropriate references which challenged the sovereignty of Serbia and Montenegro in Kosovo and Metohija. Furthermore, the omission of any reference to Serbia and Montenegro after the word "Kosovo" in paragraph 6 of the report on the OIOS investigation into the fraudulent diversion of funds by a senior staff member of UNMIK (A/58/592) might be construed as prejudging the future status of that region of her country. Her delegation felt compelled to request the issuance of corrigenda to those documents and to request the Secretariat to ensure that such erroneous references did not recur.

94. **Ms. Udo** (Nigeria), speaking on behalf of the African Group, expressed appreciation for the work done by the staff of UNAMSIL, which was in the process of winding down and thus in the crucial phase of safeguarding its accomplishments. The Organization must therefore exercise great care in implementing its exit strategy so that the human and financial resources that had been expended on the Mission would not go to waste. She wondered how the reduction in the military strength of the Mission, especially the formed units, would affect the essential services performed by the Mission, including the maintenance of security in the entire country. She recalled that the Secretary-General had highlighted the need for a comprehensive assessment of the benchmarks and the progress made in consolidating peace and stability in Sierra Leone with a view to determining whether future adjustments to the withdrawal plan would be required. For its part, the African Group had expressed concern at the accelerated pace of the drawdown and had requested that careful consideration be given to the implications of both slower and faster drawdown.

95. As UNAMSIL entered its final phase, concerns persisted regarding the security challenges that Sierra Leone and the subregion would face following the closure of the Mission in December 2004, the slow pace of reconstruction, the continuing poor economic performance and the increasing hardship suffered by the population in the absence of sustained development, and the existence of certain political plans which might cause difficulties for the peace process. Those concerns had contributed to the Security Council's decision to extend the mandate of the Mission by another six months. That was a welcome development which would benefit other missions in the region. The African Group had always called for an effective mechanism for harnessing best practices and hoped that as a result of the ongoing efforts to coordinate the activities of the missions in the subregion, other missions would be able to learn lessons from UNAMSIL, which should receive all the support it required to complete its mandate and maintain its status as an exemplary Mission.

96. The financial resources outlined in the budget document for UNAMSIL (A/58/661) did not reflect the extended mandate for the Mission and the African Group stood ready to consider any revised estimates that might be presented during the fifth-ninth session of the General Assembly. She noted that the Advisory Committee would not pursue its recommendation for a 3 per cent reduction in the estimate for the military component of UNAMSIL and recalled Security Council resolution 1537 (2004), which requested UNAMSIL to operate in close liaison with UNMIL and the United Nations Mission in Côte d'Ivoire (MINUCI), especially in the prevention of movements of arms and combatants across borders and in the implementation of disarmament, demobilization and reintegration programmes. Such efforts, however, should not adversely affect the functioning of UNAMSIL. The gains made would be better secured if efforts were made to build upon the regional economies that would sustain the hard-earned peace and stability.

97. The Group welcomed the improved presentation of the budget for UNAMSIL and the action taken to implement the requests and recommendations of the Advisory Committee and OIOS. It also welcomed the Mission's ongoing efforts to streamline and improve its inventory control practices and efficiently manage its air assets.

98. **Ms. Lock** (South Africa) said that her delegation associated itself with the statements made by the representatives of Gabon and Nigeria on agenda items 138 and 146, respectively. However, it wished to make a few additional points concerning the financing of the four peacekeeping operations in Africa under consideration.

99. Her delegation attached great importance to United Nations peacekeeping operations, which made an important contribution to the maintenance of international peace and security. South Africa would continue to pay its peacekeeping contributions in full, on time and without conditions and to support peacekeeping operations, to the extent possible, by providing troops and equipment when called on by the United Nations and regional and subregional organizations in Africa. The implementation of the recommendations of the Panel on United Nations Peace Operations had significantly enhanced the capacity of Headquarters to plan and manage peacekeeping operations. It was vital to ensure that those changes at Headquarters continued to be translated into efficiency and effectiveness in the field.

100. Her delegation fully supported the resource requests submitted by the Secretary-General for the United Nations Mission in Ethiopia and Eritrea (UNMEE), MINURSO, UNAMSIL and MONUC. It had taken note of the related observations and recommendations of the Advisory Committee and stood ready to consider them further in informal consultations. It trusted that, at that time, the Secretariat would provide delegations with a detailed explanation of the potential impact of any proposed reductions on the ability of the four missions to fulfil their respective mandates.

101. The proposed staffing for MONUC reflected the expanded mandate of the Mission and the complexity of its activities. Her delegation had taken note of the Advisory Committee's recommendation (A/58/759/Add.10, paras. 33 and 34) that only 17 of the 34 new posts requested for the Office of Public Information should be approved. In that connection, it wished to recall that the United Nations was reinforcing public information campaigns in the Democratic Republic of the Congo in order to maximize support for MONUC activities and for the transitional process during the run-up to the elections. Also, on several occasions, the Mission had used public information to defuse tensions by providing the population with immediate and

credible facts, as well as to raise awareness of disarmament, demobilization, repatriation, resettlement and reintegration programmes. It was therefore important to ensure that MONUC had sufficient human resources to carry out its public information activities.

102. **Mr. Elji** (Syrian Arab Republic) recalled that his delegation had always supported the efforts of the United Nations Disengagement Observer Force (UNDOF) while Israel continued to defy resolutions adopted by the General Assembly and the Security Council calling for it to withdraw to its June 1967 borders and to assume the costs for the Force. He therefore deplored two recent actions by Israel, in which a Syrian police officer had been killed and another kidnapped for several hours and a residential building in a Syrian village had been the object of an air attack. He regretted that the performance report for UNDOF had mentioned only one serious violation and had failed to point out that Israel was the responsible party.

103. His delegation welcomed the results-based budget process for the Mission, and supported the creation of a new P-3 post of security officer, the reclassification of the Chief Administrative Officer's post to the D-1 level, the coordination of 3 General Service posts and the regularization of 14 casual labour staff. With regard to the latter, it was important to describe such posts as local rather than national posts.

104. He did not agree that the administration of UNDOF should find suitable outsourcing arrangements which should be undertaken only in exceptional circumstances. He also did not agree with the suggestion to group staff in centralized locations, which had already been rejected by the General Assembly, and stressed the importance of ensuring a transparent dialogue between local staff and management in order to avoid difficulties in the future.

105. He reiterated his delegation's appreciation for the work done by UNDOF and its staff and noted their exemplary cooperation with the Syrian authorities. He also welcomed the excellent coordination between his delegation, Headquarters staff and troop-contributing countries.

106. **Mr. Sermoneta** (Israel), speaking in exercise of the right of reply, regretted that the representative of the Syrian Arab Republic had seen fit to politicize the Committee's consideration of the agenda item. The relevant General Assembly and Security Council resolutions highlighted the responsibility of both parties to ensure the settlement of their dispute and Israel's actions had been defensive measures in response to terrorist acts that had originated in Syrian territory. Those who financed, supported or encouraged terrorism were in fact the ones responsible for any escalation in the situation.

107. **Mr. Elji** (Syrian Arab Republic), speaking in exercise of the right of reply, said that he had not attempted to politicize the debate but had merely alluded to the relevant documents relating to the performance of UNDOF, which included a reference to the unjustified killing of a Syrian policeman and the kidnapping of another policeman, both of which had been documented by United Nations representatives. Israel had also carried out an attack against a civilian building, while his Government had always refrained from any violent acts. Israel was attempting to use falsehoods to justify its actions. He recalled that the presence in Syrian territory of 500,000 Palestinian refugees was the result of Israeli efforts to use terror to expel and suppress them, thereby making dialogue impossible. The international community was fully aware of the truth and statements made in the Security Council itself had condemned Israel's actions.

108. **Mr. Sermoneta** (Israel), speaking in exercise of the right of reply, said that the so-called civilian building mentioned was in fact known to be a weapons factory and storehouse and that terrorists had admitted being trained at that and other facilities in the Syrian Arab Republic with a view to committing atrocities. The Syrian Arab Republic was on the wrong side of the war on terror and he wondered why no media access had been granted to the so-called civilian target. He recognized that the representative of the Syrian Arab Republic was simply acting under instructions and according to the information provided by his capital, but the truth was clear for all who cared to see it and judge for themselves the veracity and legitimacy of the repeated accusations made by the Syrian Arab Republic.

109. **Mr. Elji** (Syrian Arab Republic), speaking in exercise of the right of reply, said that Israel had a long history of distorting the truth and recalled that it had often been responsible for terrorist actions, including the assassination of Count Bernadotte, the massacre at the Sabra and Shatila refugee camps, the deaths of United Nations Relief and Works Agency (UNRWA) officials and other incidents. It had also repressed those

who opposed its policies, including peace activists. Syria too had suffered from terrorism, was on the right side of the war on terrorism and had played an important role in fighting terrorism in recent years. It was his firm conviction that Israel was on the wrong side of that war. Palestinian refugees had a right to freedom of speech and they themselves had closed certain information offices in order to avoid provoking any escalation of the situation.

The meeting rose at 1.20 p.m.

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Chairman: Mr. Kmoníček ..... (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

Contents

Organization of work

Agenda item 121: Programme budget for the biennium 2004-2005 (*continued*)

Strengthening the security and safety of United Nations operations, staff and premises

Agenda item 123: Improving the financial situation of the United Nations (*continued*)

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The meeting was called to order at 10.10 a.m.

Organization of work (A/C.5/58/1/Add.3)

1. **The Chairman** drew the attention of the Committee to a letter dated 6 May 2004 from the President of the General Assembly addressed to the Chairman of the Fifth Committee, contained in document A/C.5/58/1/Add.3, allocating agenda item 168, entitled "Financing of the United Nations Stabilization Mission in Haiti", to the Fifth Committee.

Agenda item 121: Programme budget for the biennium 2004-2005 (*continued*) (A/58/756 and A/58/758)

Strengthening the security and safety of United Nations operations, staff and premises

2. **Ms. Bertini** (Under-Secretary-General for Management), introducing the report of the Secretary-General on strengthening the security and safety of United Nations operations, staff and premises (A/58/756), said that the attack on the United Nations facilities in Baghdad on 19 August 2003 had radically changed the security environment in which the Organization operated. Although the Secretary-General had sought additional resources for security following the events of 11 September 2001, at that time, the United Nations was not a target of choice for terrorists and personnel working under its flag were still reasonably safe.

3. The Secretary-General's report provided information on crucial measures to strengthen security worldwide which would enable the United Nations to continue its work while allowing for better risk management. The bulk of the $57 million approved for security enhancements in 2002 had been requested in order to bring forward security projects from the capital master plan defined prior to the events of 11 September 2001. Those events, and the subsequent attack in Baghdad, had made it apparent that those projects were inadequate and that security, both physical and staff-related, must be enhanced.

4. A study undertaken in August 2003 by an independent group of experts had given rise to a number of recommendations for strengthening and unifying United Nations security arrangements. One key recommendation that had arisen from a preliminary review of that study was that resources should be made available for change management of security arrangements.

5. The United Nations security experts and the independent panel commissioned by the Secretary-General to conduct an investigation into the bombing in Baghdad had arrived at a consistent set of findings. The Secretary-General had yet to take action, however, on the report of the panel to establish individual personal accountability with respect to the attack in Baghdad.

6. The steering group on security had identified a number of follow-up actions to the various studies, including the appointment of a "change manager" to advise on steps and resources required to strengthen the United Nations security system; the development of an enhanced procedure for threat and risk assessment; the upgrading and validation of the Minimum Operating Security Standards (MOSS) to counter new threats; and evaluation of systems and procedures for compliance, accountability, and the training and career development of security personnel.

7. In addition, the Department of Peacekeeping Operations had carried out a survey of MOSS in all of its field missions and the Department of Management, in collaboration with the regional commissions and the United Nations Offices at Geneva, Vienna and Nairobi, had developed MOSS for large headquarters facilities (H-MOSS) and identified shortcomings at all eight main duty stations. The new H-MOSS, which had been validated by external security experts, had been used as a basis for most of the requirements sought for physical security enhancements. The office of the United Nations Security Coordinator (UNSECOORD) had visited 19 countries of particular concern to review threats and risks using the enhanced MOSS system and had provided relevant advice. Training for designated officials and their security management teams had also been conducted.

8. United Nations security arrangements must now cope with an intense and changeable threat of deliberate, direct attacks that could appear with little or no warning. Systematic monitoring of the security environment, anticipation of potential security incidents and advance planning to deal with such incidents were therefore required. Increased readiness and protection through the use of state-of-the-art training equipment and physical security were critical and urgent action must be taken to incorporate an

enhanced culture of security awareness and compliance and a strengthened inspection capacity into the structure and procedures of United Nations security arrangements. The change manager was currently examining all the relevant issues and was expected to make recommendations in July 2004.

9. The current report proposed a first phase of urgently required new measures, namely, construction upgrades, an immediate increase in UNSECOORD personnel at higher-risk duty stations, a package of measures at special political missions, peacekeeping operations and the International Tribunal for Rwanda (ICTR), and a limited enhancement of Headquarters capacity in core functions. The total sum sought for those measures was $92.4, of which $71.2 million would be one-time costs. None of the requirements for 2004 would prejudice the new security management structure to be proposed in September.

10. It was imperative to take immediate action on phase one proposals in order to ensure a minimally acceptable level of security for United Nations personnel and facilities worldwide. UNSECOORD was overstretched and required a regular, predictable source of funding. The current arrangements were inadequate and far too cumbersome to meet the dynamic challenges now facing United Nations security. Adequate security at Headquarters and in the field had become a prerequisite for effective service delivery and was therefore a shared core responsibility of all Member States that should be funded directly from the regular budget. Moreover, implementation of a lower number of posts than the total of 116 proposed for UNSECOORD would present the Secretary-General with almost impossible choices as to which high-risk field offices should not receive the required level of coverage. She appealed to Member States to take steps to avoid such a situation.

11. General temporary assistance for urgent and unavoidable staffing requirements had been proposed at moderate levels in order to avoid prejudicing the outcome of staffing reviews. In addition, a number of new and expanded construction requirements had been proposed, which would be implemented, wherever possible, under H-MOSS with a view to improving perimeter security, hardening structures against bomb threats and upgrading electronic surveillance. Given the lead times involved in all construction projects, those proposals should be initiated immediately to minimize the window of vulnerability.

12. Phase two, which would be presented in the autumn following the completion of the various technical reviews currently under way, would include specific and detailed proposals on unified security management, long-term staffing needs, training, an integrated global access control system, security for information and communications technology, and business continuity needs.

13. While the information contained in the report was limited on account of its sensitive nature, the Advisory Committee on Administrative and Budgetary Questions (ACABQ) had been provided with many of the relevant details. The current report was not an ordinary budget request and should not, therefore, be approached in a traditional manner with a view to cutting costs. United Nations staff working around the world routinely gave their all to help people in dire need. They should not have to give their lives.

14. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of ACABQ (A/58/758), said that, even though United Nations Blue Helmets and staff had become targets for malicious attacks long before the events of 11 September 2001 and the bombing of the Canal Hotel in Baghdad, the past few years had seen a rather piecemeal approach to the security and safety of United Nations staff and operations, with emergency resources being requested for short-term measures. Proper consideration of security requirements was extremely difficult in the absence of a thorough analysis of threats and risks and a coherent plan. A comprehensive strategy aimed at enhancing the safety of United Nations operations, staff and premises was therefore long overdue and should be treated with the utmost seriousness.

15. Resource requirements for the strengthening of safety and security should be based on and preceded by a comprehensive review and the development of a plan of action. The Secretary-General's report, however, lacked analysis of the critical issues related to security and safety, including responsibility and accountability for United Nations security, clarification of the relationship between the Department of Peacekeeping Operations and UNSECOORD, the role and responsibility of the United Nations vis-à-vis host countries in providing security to United Nations system premises and field operations, cooperation with national authorities and organizations on threat assessment and preventive measures, agreed plans for

an integrated and coordinated approach to all United Nations system organizations, and definitive time frames for the completion of all future security projects. Those issues should be addressed in detail in the forthcoming phase two report.

16. Under the circumstances, ACABQ had recommended approving the continued financing of ongoing projects but deferring requests for resources relating to new projects pending the submission of an overall plan and strategy. It had also recommended approving additional posts in a number of key areas as well as additional resources for peacekeeping missions where urgent need had been demonstrated and for the United Nations Office at Vienna.

17. With regard to construction requirements, ACABQ had noted that the unencumbered balance as at 31 December 2003 was $28.5 million and that additional requirements for ongoing projects totalled $21.9 million. Its recommendation to defer the request of $16.1 million for new projects pending consideration by the General Assembly of a comprehensive plan should therefore not cause any delay. Given the pace of implementation of projects approved almost two years previously and the related pattern of expenditures, the amount still available for construction projects would be quite sufficient to cover needs arising in the interim.

18. With regard to post requirements, ACABQ recommended the approval of all requests except those relating to UNSECOORD. It recommended the conversion to regular budget financing of the 58 posts currently funded from extrabudgetary resources. Any deficiencies in the current funding arrangement should be addressed in the context of inter-agency mechanisms for coordination and cooperation. In the meantime, it had also recommended that requirements for UNSECOORD should be adjusted to reflect the application of previously agreed cost-sharing mechanisms. ACABQ had recommended deferring action on the request for the remaining 58 posts pending the comprehensive report on security to be submitted by the Secretary-General to the General Assembly at its fifty-ninth session and the review of the structure and procedures for security arrangements for the Organization as a whole.

19. With regard to general temporary assistance, the report had provided very little information in support of the requested level and, in the absence of a comprehensive and coherent plan, it was very difficult to analyse the real requirements in that respect. Therefore, and bearing in mind the fact that the General Assembly would address that issue in four months' time, ACABQ recommended the approval of $3 million as a lump sum to be used flexibly by the Secretary-General to meet urgent requirements.

20. As far as the requirements for a number of peacekeeping operations and ICTR were concerned, ACABQ took the view that, with the exception of the requirements for the United Nations Mission in Ethiopia and Eritrea (UNMEE), where additional resources of $7 million had been requested in connection with the relocation of the headquarters to a more secure location, and the United Nations Peacekeeping Force in Cyprus (UNFICYP), they should be accommodated within their overall budgets and included in the relevant performance reports. However, the information relating to UNFICYP in the report of the Advisory Committee might have been overtaken by events.

21. In conclusion, he drew attention to the recapitulation of the Advisory Committee's recommendations in paragraph 39 of its report. Compared with the request for $85 million gross submitted by the Secretary-General, a total of $63 million would be made available pending receipt of the Secretary-General's "phase two" report. Withholding a portion of the requested funds was not evidence of a failure to appreciate the significance of the problem. On the contrary, the seriousness of the matter compelled the withholding of funds in order to impose the rigorous discipline needed to produce a sustainable and effective approach that Member States could understand and have confidence in. The expenditure of large sums of money without an effective and coordinated plan of action and cooperation among all players could result in false security and disastrous consequences.

22. **Mr. Al-Ansari** (Qatar), speaking on behalf of the Group of 77 and China, said that the important issue of safety and security could not be addressed in a vacuum. A comprehensive approach, including a clear framework of security and safety standards, was vital.

23. While the General Assembly had repeatedly stated that United Nations staff were an invaluable asset to the Organization, much more remained to be done to ensure their safety. Developments around the

globe continued to demonstrate that United Nations premises were vulnerable to attack. The physical security and protection of all United Nations premises therefore needed to be further enhanced and that required a long-term strategy rather than a piecemeal approach.

24. A properly functioning security system required coordinated efforts and sound leadership from those entrusted with the task of security management. A well-defined hierarchical structure and clearly identified lines of responsibility and accountability were also essential. In addition, United Nations system organizations must further harmonize their efforts on safety and security matters in order to ensure unity of purpose. The cost-sharing arrangement adopted by the General Assembly in resolution 56/255 was a step in the right direction and should be pursued.

25. The report of ACABQ had drawn attention to a number of persistent deficiencies that had not yet been conclusively addressed. The Group of 77 and China was particularly concerned that the implementation of some projects, previously approved on an urgent basis had been delayed and that the Secretariat had proposed some of those projects for deferral. The Group also stressed that host countries must fully discharge their responsibilities in accordance with the host country agreements.

26. **Ms. Stanley** (Ireland), speaking on behalf of the European Union, the associated countries (Bulgaria, Romania and Turkey), the stabilization and association process countries (Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro and the former Yugoslav Republic of Macedonia), and, in addition, Iceland, said that the events of 11 September 2001 and the attack of 19 August 2003 on the United Nations headquarters in Baghdad had shattered the perception of the Organization's neutrality and the relative safety of its personnel. In those circumstances, Member States must cooperate closely in order to create a security architecture that was both effective and sustainable. The European Union was committed to ensuring the protection of all United Nations staff and stood ready to discuss measures to cope with new threats, including security coordination between the Organization and host countries, in a comprehensive and effective manner. In that connection, it urged the Secretary-General to take adequate steps to ensure that the necessary security improvements could be implemented in all duty stations without further delay and expressed disappointment that there had been so many delays in the implementation of pertinent measures for which financing had already been approved.

27. Adopting a global and coherent approach to security within the United Nations system was a complex task, given that threat levels and assessments differed from one duty station to the next and that different bodies had different mandates. However, it was clear that the current, largely ad hoc, system no longer served the best interests of the Organization.

28. In his report, the Secretary-General clearly acknowledged that his proposals were merely a first phase of efforts to establish a unified, system-wide security plan. However, those proposals lacked a comprehensive overview of the security situation and it was therefore difficult to assess real priorities for enhancing security arrangements. In that connection, the European Union looked forward to the presentation of the phase two report in the autumn, following the completion of the change management study.

29. It was important to ensure adequate staffing levels within UNSECOORD, both at Headquarters and in the field, in order to develop a more effective threat analysis capability and to ensure compliance with MOSS. To that end, additional information on the new parameters for MOSS upgrades at United Nations facilities in high-risk areas was required. The security culture must also be changed through an effective system of accountability and authority and greater emphasis on training.

30. While the European Union shared many of the concerns expressed by ACABQ, given the increased security threat and the consequent workload, there was a clear need to look positively at the staffing levels in UNSECOORD with a view to increasing the number of qualified security personnel in the field. The Union would be seeking clarification of the position of UNSECOORD within the security framework of the United Nations and the planned arrangements for the training of security staff and other personnel. It would also seek clarification of the justification for general temporary assistance and for the request for additional resources for ongoing and new security construction projects and equipment. A fuller debate was necessary on the Secretary-General's proposal to change the existing system of cost-sharing. That debate should

take place within the context of the Committee's consideration of the change management report.

31. The Committee must decide which decisions should be taken at the current session to ensure that immediate needs were met and which issues could be deferred to the Assembly's fifty-ninth session without jeopardizing the safety and security of all United Nations staff.

32. **Mr. Renault** (Brazil), speaking on behalf of the Rio Gro' p, said that the recent attacks on United Nations premises and facilities had signaled a radical change in the security situation of the Organization, which had now become a target of choice. The new scenario demanded a comprehensive review of the security procedures employed to date, and emphasis must now be placed on the prevention of new threats, as well as on the crisis management and damage limitation measures already in effect. A new proactive approach must replace the traditionally reactive one and all Member States and United Nations bodies must work together in order to create a safer environment for staff.

33. Pending a comprehensive analysis of the proposals for a new security system, a number of immediate measures were required. In that regard, the Secretary-General's report contained various proposals that could be implemented rapidly and which did not appear to be exclusively dependent on the findings of the phase two report.

34. With regard to longer-term measures, the Rio Group attached great importance to the establishment of a system of responsibility and accountability and to improved interaction between UNSECOORD and the Department of Peacekeeping Operations. The phase two report should address those issues as priority areas of the new security plan, thereby enabling the General Assembly to review the proposed framework from both the organizational and budgetary angles.

35. **Mr. Dutton** (Australia), speaking also on behalf of Canada and New Zealand, said that the appalling threats made against the United Nations the previous week had underscored that the Organization could no longer assume immunity from security threats. Faster action was needed. The United Nations must fully assess the threats which affected its ability to carry out its work and conduct a long-overdue review of its arrangements for managing security.

36. The report of the Secretary-General on strengthening the security and safety of United Nations operations, staff and premises (A/58/756) had recognized that safety measures must be radically altered, and the Advisory Committee had pointed out the need for a comprehensive policy approach instead of piecemeal measures. The Secretary-General should provide a comprehensive report to the fifty-ninth session of the General Assembly, including proposals to ensure coherent and integrated management of security among the United Nations and its agencies, to determine and implement appropriate security standards, and to establish well-defined arrangements for accountability. The current fragmented structure and messy lines of accountability were not an effective way to provide security. The information which the Under-Secretary-General for Management had just provided on the action taken thus far had been very encouraging.

37. The use of enhanced MOSS and H-MOSS provided a clear policy basis for the request for resources to meet urgent needs. Further details should be provided during the informal consultations on how those standards were defined, validated and applied.

38. The slow progress on some construction projects which the General Assembly had agreed to fund two years previously was disappointing. Because of the delays, the sum which the Advisory Committee had recommended for approval could be sufficient for the time being, provided that the Secretary-General was given the ability to undertake urgent projects, whether old or new. The Committee must consider the issue again at the Assembly's fifty-ninth session, by which time it should have a clearer idea of the responsibilities of host Governments at the perimeter of United Nations facilities.

39. The delegations on whose behalf he spoke agreed with the Advisory Committee that no additional appropriations were currently needed for ICTR or for peacekeeping missions other than UNMEE and UNFICYP, provided that any additional requirements could be obtained through the performance reports for the missions.

40. The full number of additional field personnel requested for UNSECOORD, which was understaffed, should be approved immediately. Greater capability for professional security advice in the field was essential, irrespective of the Committee's decisions during the

Assembly's fifty-ninth session. Decisions on cost-sharing to cover additional needs could be taken at the fifty-ninth session, as part of the broader reform of the security management system. While additional resources to strengthen security were needed immediately, resources were only part of the solution. The most arduous challenges were managerial and those must be met in order for the Organization to continue to do its work with appropriate regard for safety.

41. **Mr. Kennedy** (United States of America) agreed that the attacks on the United Nations in 2003 had shattered the perception that the Organization was not a target of opportunity for terrorism and had changed the security paradigm. Now that the Organization was a target of choice, security measures must be radically altered. His delegation therefore looked forward to the phase two report, which would provide the opportunity to assess the functioning and management of the entire United Nations security mechanism.

42. The United States had long advocated a robust security system for the United Nations, but despite the incremental increase in recent years, current numbers of security staff left little room for manoeuvre in field functions and their management at Headquarters. Most of the approximately 80 high-risk duty stations had only one or two field security officers for basic functions. The current structure had no capacity to meet increasingly complex security needs.

43. His delegation had noted the Advisory Committee's recommendation for 58 existing field security officer posts to be funded from the regular budget, but was concerned that if the Committee endorsed that recommendation, UNSECOORD would be left with no net gain in posts and with no flexibility to respond quickly and effectively to crises in the field. His delegation believed that the posts were fully justified and would welcome clarification of the recommendation from the Chairman of the Advisory Committee. It would also welcome additional information on the functions of the posts requested as general temporary assistance for UNSECOORD at Headquarters.

44. Another issue of concern was the financing of the United Nations security coordination mechanism. His delegation thought it premature to change the current mechanism in the absence of further information on the roles and responsibilities of each entity. That information was expected to be provided in the report of the Secretary-General due in the autumn. In the meantime, however, the implications of not taking a decision at the current session on the most appropriate mechanism for financing ongoing security requirements must be fully understood.

45. At the fifty-sixth session of the General Assembly, his delegation had supported the full request of the Secretary-General for security improvements at major duty stations because of the extreme urgency of the situation. It was therefore disappointed that the Secretariat had not treated implementation of the programme with similar urgency, that, two years later, many of the projects had been only partially implemented or completely deferred, and that the revised cost estimates for some Headquarters measures were almost six times higher than the original estimates. His delegation's confidence in the Secretariat's ability to manage security activities efficiently and effectively had been shaken. The Secretariat should provide a clear outline of managerial responsibility and a time-line for implementing existing and new projects.

46. His delegation wished to reiterate its support for the Secretary-General's security enhancement initiatives. As the oversight body for security, the Committee owed it to United Nations staff deployed throughout the world to provide the necessary security support.

47. **Mr. Helg** (Switzerland) said that, as host to the largest United Nations office outside of New York and to many United Nations system organizations, Switzerland was directly affected by matters of security in general and security of United Nations personnel and installations in particular. It therefore welcomed the Secretary-General's efforts to promote stronger and more integrated security. The current challenges made individual or sectoral approaches inadequate.

48. Member States should not wait for acts of violence to occur before taking action. His delegation therefore regretted that the Advisory Committee had recommended waiting until the fifty-ninth session of the General Assembly to confirm the measures proposed by the Secretariat. There was need for immediate action and planning of an overall security strategy.

49. The report of the Secretary-General had stated that implementation of several previously approved security-related projects had been delayed by the need to obtain construction permits from the host-country authorities. With only one exception, permits for the proposed work on the entrance and perimeter of the Palais des Nations site had in fact been given priority and granted within a reasonable time. It could not therefore be said that delays in the granting of permits had hindered the implementation of the security measures adopted by the General Assembly. The report stated further that the position of the host country authorities seemed to have changed in that they were no longer willing to bear the cost of upgrading the physical infrastructure along the security perimeter. The report of the Advisory Committee had also given the impression that the cost of strengthening the perimeter was to be met by the Government of Switzerland.

50. Switzerland fully assumed its obligation under international law to ensure the security of international organizations on its territory, but that obligation applied to the outside of buildings or to the outside of their security perimeter, as the Advisory Committee had clearly confirmed in its report. According to established international practice, internal security measures, such as those for buildings, fences and gates, were the responsibility of organizations themselves and costs were borne by their budgets and States members. No host country assumed such costs and Switzerland was no exception. It had not changed its position on that matter.

51. Given the current international security situation, Switzerland strongly supported the Secretary-General's additional requests for the United Nations Office at Geneva, with which its Government was cooperating closely regarding security for buildings outside the Palais des Nations site.

52. **Mr. Sun** Xudong (China) said that the security and safety of United Nations operations, staff and premises were of critical importance and warranted the necessary financial support. Once consensus had been reached on the supplementary budget proposals, the amount concerned should be included in the assessed contributions of Member States for 2005 and not treated as a separate payment for the current year. The supplementary amount was, moreover, dedicated to security and safety and should not be used for any other purpose.

53. While budget supplements for major and unforeseen events were sometimes unavoidable, the case made for them must be strong, their conditions reasonable and their timing appropriate. Some of the construction requirements indicated in the annex to the Secretary-General's report were too contrived, since many of the requirements could be combined with the capital master plan currently being discussed and their consideration postponed. More convincing reasons should be provided for including such requirements at the current stage.

54. The security and safety of all United Nations premises was primarily the responsibility of their host countries, which should provide all the required protection outside the perimeter of United Nations districts. The Secretary-General should enhance cooperation with host countries and request them to provide more support and protection.

55. Following the General Assembly's adoption of the programme budget for 2004-2005, the Chinese delegation hoped that the Secretary-General would remain within existing budgetary limits, while strengthening management, improving resource utilization and leveraging limited resources for optimum benefit so as to ensure that the Organization remained active and robust in the face of the new challenges.

56. **Mr. Iosifov** (Russian Federation) said that the security of United Nations staff and premises was a matter of real resonance and significance in the current political circumstances. The Russian Federation was itself a target. A terrorist attack on 9 May, the anniversary of the victory against fascism, had claimed the life of Akhmad Kadyrov, the legitimately elected President of the Chechen Republic, and had killed and injured many others, including children. The only way to overcome the evil of terrorism was to counter it through joint effort and the implementation without delay of security-related projects. The Russian Federation was concerned that over half of the $5.8 million which the General Assembly had already made available had remained uncommitted and that projects were therefore progressing slowly. The Secretariat should explain the reasons for that situation.

57. His delegation questioned the use of pre-encumbrances in connection with the construction-in-progress account and observed that the pace of commitments and actual construction had been very

slow. It supported the Advisory Committee's recommendation that requests from the Secretariat for additional resources, particularly those for security improvements, must be part of a properly justified strategy and programme of action, and that there must be accountability for the implementation of measures. It agreed in general with the allocation of $63 million recommended by the Advisory Committee.

58. There must be a unified, coordinated and system-wide approach to improving security that included the development of security standards for each duty station, apportioning responsibility and authority among those in charge of security on the ground, and cost-sharing for UNSECOORD within the United Nations system. Unfortunately, no such unified strategy existed. Security issues could be successfully addressed, moreover, only if the resources allocated to them were used effectively and if projects were monitored for quality, on-time delivery and achievement of practical results.

59. **Mr. Ozawa** (Japan) said that in order for the United Nations to fulfil the role entrusted to it by the international community, the security and safety of its operations, staff and premises must be ensured. In that connection, the recommendations of the Advisory Committee deserved careful consideration and could be the basis for consensus among Member States. The delegation of Japan would give serious consideration to the report which the Secretary-General would submit to the General Assembly in the autumn.

60. **Ms. Skåre** (Norway) said that the blue flag of the United Nations was a symbol of peaceful cooperation. Norway admired the dedication, courage and tireless efforts of the staff of the Organization in helping those in need and in the maintenance of international order.

61. The bombing of the United Nations facilities in Baghdad had made it clear that the Organization was no longer a random victim but, for some groups, a target for terrorist attacks. The change in the security paradigm had created an urgent need to review existing security and safety arrangements. Her delegation was concerned at the apparent lack of implementation of improvements already scheduled, with a large part of the extra funding approved by the General Assembly in 2001 remaining uncommitted or unspent.

62. While the primary responsibility for protection of United Nations staff lay with host countries, some circumstances would affect the ability of host countries to fulfil that responsibility. Many duty stations were defined as potentially hazardous and, as a responsible employer, the Organization must ensure the security of its staff.

63. In examining the Secretary-General's proposals for a first phase of urgently required measures to strengthen security and safety, her delegation understood the sensitivity surrounding full disclosure of security-related information, but felt that the Committee could have been given more details of current threats and of how the Secretary-General had arrived at the estimated financial requirements.

64. The Committee should have had before it a budget proposal reflecting a full review of the security management system and the changes in organizational structures that were needed. The existing security arrangements within the United Nations family seemed fragmented, however, and a unified security system with a clear chain of command and a clear mandate were needed. The solution of having common premises for United Nations entities at duty stations deserved consideration.

65. Her delegation accepted the need for more time to conclude the study of security management and was convinced that a number of measures to strengthen security were urgently needed. Financial considerations should never dominate in decisions regarding security and Norway had been surprised at the Advisory Committee's recommendation for a reduction of over 25 per cent in the Secretary-General's budget proposal.

66. Norway disagreed with the recommendation of the Advisory Committee regarding the proposal for 116 new UNSECOORD posts. Capacities in the field and the procedures for risk and threat assessments must be increased. It could see no justification for deferring the Secretary-General's request for 58 new security coordinators. Because recruitment times in the United Nations system were lengthy, Member States must take action and appropriate the necessary funding immediately.

67. Her delegation agreed with the Secretary-General that the magnitude and gravity of security threats required a change in approaches to funding. Security arrangements should not depend on voluntary contributions. Nor should security personnel spend valuable time raising funds or United Nations funds and programmes be forced to develop separate security arrangements for their staff. It was unfortunate that

funds provided for development assistance were increasingly spent on security measures.

68. As a shared responsibility of all Member States, security should rely on predictable funding from the regular budget. In that connection, Norway welcomed the Secretary-General's proposal to phase out the current cost-sharing arrangements between United Nations organizations, funds and programmes.

69. It was outraged that some terrorist groups had identified the United Nations as a target. While the perpetrators of terrorist acts must not be treated lightly, the issue of security must not be limited to providing physical security for United Nations premises and staff. Member States must engage in a broader political dialogue to strengthen the legitimacy, integrity and security of United Nations operations and thereby restore the blue flag as a symbol of peaceful cooperation.

70. **Mr. Chun** Yung Woo (Republic of Korea) said that ensuring the safety and security of United Nations personnel and premises was a prerequisite for the efficient delivery of services. The attack against United Nations headquarters in Baghdad had given that task a new urgency and he therefore welcomed the report of the Secretary-General on strengthening the security and safety of the United Nations operations, staff and premises (A/58/756) and supported the upgrading of the Organization's security structures, in particular at high-risk duty stations, and the establishment of a culture of security and safety within the Organization.

71. He, however, agreed with the Advisory Committee that a piecemeal approach would not suffice and shared its concern at the absence of an overall programme of security enhancement, which made it difficult to identify and justify priorities. He wondered, for example, whether the capital master plan had been taken fully into account when considering the refurbishment of the Headquarters building. The high level of pre-encumbrances was also indicative of slow progress in the implementation of already approved projects. The sharp increases in costs for the upgrading of United Nations facilities, including in New York and Geneva, gave further cause for concern.

72. His delegation supported the current cost-sharing agreement between organizations participating in the security management system, which assigned responsibilities according to the size of the various organizations. It nevertheless remained open to discussion of any ideas to remedy the deficiencies in the current arrangement. Lastly, he wished to stress the responsibility of host countries for ensuring the safety and security of United Nations staff and premises and the need for a clearer definition of the responsibilities of the host country and the Organization itself.

73. **Mr. Ng'ongolo** (United Republic of Tanzania), said that attacks on United Nations premises in 2003 had shattered the perception that the Organization's image of neutrality guaranteed reasonable safety for United Nations personnel. In fact, the Organization had become a target of choice for deliberate attack and United Nations security measures must therefore be radically altered to meet the new challenges facing the Organization. He commended the Secretary-General for implementing the work programme approved by the General Assembly in its resolution 56/286 on strengthening the security and safety of United Nations premises. In addition to countering the traditional threats of criminal activity and the effects of social disorder, violence and conflict, the Organization must cope with the threat of direct attack anywhere and at any time. Sophisticated, robust and unified security management systems alone would not suffice to meet the security challenge, however, and in any case might be neither sufficient nor sustainable, whatever the resources allocated to them.

74. The root cause of the new threat to the Organization might be the perception by some of the Organization's stakeholders of the independence, neutrality, credibility and relevance of the Organization as an effective multilateral institution for the management of global governance. The latter attributes depended to a large extent on the will of Member States to adhere fully to the fundamental principles of the Charter of the United Nations. Although he endorsed the Secretary-General's budget proposal, he would welcome assurances that the additional resources would truly serve to enhance the security of the staff and premises of the Organization.

75. **Ms. Bertini** (Under-Secretary-General for Management) thanked Committee members for the concern they had shown for the safety and security of United Nations staff and operations. She was confident that her colleagues from the Secretariat would be able to provide satisfactory answers to the questions raised during the informal consultations and she looked forward to continued cooperation between Member States and the Secretariat with a view to meeting their

responsibility for ensuring adequate protection for all United Nations staff and operations.

Agenda item 123: Improving the financial situation of the United Nations (*continued*) (A/58/531/Add.1)

76. **Mr. Al-Ansari** (Qatar), speaking on behalf of the Group of 77 and China, welcomed the improved financial situation of the Organization, but noted with concern that large amounts were still owed to troop-contributing countries, in particular for reimbursement of contingent-owned equipment. All outstanding amounts, including those dating back many years and owed to developing countries, should be paid as a matter of priority.

77. It was regrettable that the International Tribunals had once again ended the year in a negative cash position as a result of the failure of some 111 Member States to pay their contributions in full. The cash levels of the Tribunals were slipping each year and it might become necessary by the end of 2004 to cross-borrow up to $100 million from the accounts of closed peacekeeping missions. The Tribunals could not complete their work without predictable and adequate financial resources and Member States must therefore fulfil their financial obligations.

78. The financial situation of the United Nations Interim Administration Mission in Kosovo (UNMIK) and the United Nations Mission for the Referendum in Western Sahara (MINURSO), which had been forced to cross-borrow from closed peacekeeping missions due to non-payment of assessed contributions, was also a source of great concern. That situation should not be allowed to continue indefinitely, since it placed undue financial stress on troop-contributing countries awaiting reimbursement. His delegation therefore welcomed the Secretariat's stated intention to make significant payments in 2004 towards reducing the debt owed to Member States and to improve the timeliness of the reimbursement process.

79. In order to ensure the financial stability of the Organization, Member States must pay their assessed contributions in full, on time and without conditions. Although greater emphasis had been given to peace and security missions recently, resulting in a substantial increase in the peacekeeping budget, development activities were of equal importance and equal, if not greater, emphasis should therefore be placed on funding for the development activities mandated by the General Assembly. The Group of 77 and China would continue to participate constructively in collective efforts to resolve the persistent financial difficulties facing the Organization.

80. **Ms. Stanley** (Ireland), speaking on behalf of the European Union, the associated countries (Bulgaria, Romania and Turkey), the stabilization and association process countries (Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro and the former Yugoslav Republic of Macedonia), and, in addition, Iceland and Norway, said that the European Union did not take lightly its responsibility for 38 per cent of all contributions to the United Nations regular budget and a somewhat larger share of the peacekeeping budget. It welcomed the positive trend in the cash balance and the decrease in unpaid assessments, but remained concerned at the effect on United Nations finances of late payments and the continuing high level of unpaid assessments. It welcomed in particular the steps that had been taken by the United States to reduce its arrears and hoped that that trend would continue and be emulated by other Member States with high arrears.

81. In order to operate efficiently, the Organization required adequate and, above all, predictable funding for the tasks assigned to it by Member States. Peacekeeping operations, a core function which delivered enormous benefits, was a significant growth area and should receive full support from Member States. Such operations, however, imposed a heavy financial burden because of the urgent need for rapid start-up in missions and delays in payment could not therefore be tolerated. Although overall cash balances for peacekeeping had improved somewhat, some missions were facing bleak financial prospects. UNMIK and MINURSO, for example, continued to face serious cash flow problems because of the high level of outstanding contributions.

82. The provision of international justice was a key priority of the United Nations and the precarious financial situation of the International Tribunals raised serious concerns. Although their budgets were high, the Tribunals had been approved by all Member States and it was unacceptable that their very functioning should be jeopardized by refusal to pay or delays in payment. The option of cross-borrowing against the accounts of closed peacekeeping missions would be limited after June 2004 and it was imperative that outstanding contributions be paid in order to avoid a collapse of the international justice system. Member

States must consider alternatives to cross-borrowing from closed peacekeeping missions, including the consolidation of peacekeeping accounts or institutionalization of a system whereby outstanding assessments for peacekeeping operations were offset against debts to troop-contributing countries. Perhaps measures to encourage prompt payment or further penalties to discourage continued late payments could be considered. The European Union was open to any suggestions for remedying the problem.

83. The current cycle of arrears could not be allowed to continue if the United Nations was to function at maximum capacity. Although it was understandable that some Member States, including Member States of the European Union, might experience difficulties in paying their assessments through different payment cycles, those States, in particular the main contributors, should be aware that the unprecedented demand for peacekeeping offered a timely opportunity to seriously consider adjusting payment dates in a way that offered greater financial security to the Secretariat.

84. **Ms. Lock** (South Africa), speaking on behalf of the African Group, welcomed the improvement in the financial situation in the United Nations, but noted that 86 per cent of total unpaid regular budget assessments was owed by four countries and 70 per cent of unpaid peacekeeping assessments by the major contributors.

85. The situation of the two International Tribunals continued to deteriorate alarmingly and they would probably once again be required to borrow in 2004, although there would be little possibility of cross-borrowing in the future, once the Organization returned the credits from closed peacekeeping missions. The African Group was concerned at the prospect of a freeze on recruitment and the scaling down of operations. Any delays in recruitment would have a negative impact on the efforts of ICTR to meet the objectives set out in its completion strategy. It was imperative that the International Tribunals be provided with adequate and predictable resources and for all Member States to meet their obligations in that regard. Although measures to improve the financial situation of the Organization were welcome, she was concerned at the trend towards using lower-level staff than budgeted for or failing to fill posts at approved higher levels, especially in Africa. The practice of recycling obsolete equipment from other areas to missions in Africa should also be discontinued.

86. Despite the marked improvement in reimbursements to troop- and equipment-contributing countries, large sums were still owed, including to many African and other developing countries, for both active and closed peacekeeping missions. The continued support of such countries for peacekeeping operations would be enhanced if they received timely reimbursements. In that connection, the Secretary-General's stated commitment to increasing payments to troop-contributing countries in 2004 was therefore welcome.

87. In order to improve the financial situation of the Organization, all Member States must pay their assessed contributions in full, on time and without any conditions, although it was understandable that special situations might arise in which some Member States were unable to meet their obligations due to genuine economic difficulties. Member States entrusted the Organization with the task of improving the daily lives of their peoples and restoring peace and security where needed and they must therefore provide the Organization with the resources it needed to carry out its noble mission, whose successful outcome would benefit all.

88. **Mr. Kramer** (Canada), speaking also on behalf of the delegations of Australia and New Zealand, said that it was encouraging that the regular budget had not had to resort to cross-borrowing in 2003 and that the level of unpaid assessments had fallen, even though it was still unacceptably high. The reduction in overall arrears was due to progress in peacekeeping accounts, but unpaid assessments for the regular budget and the Tribunals had in fact increased. The delegations on whose behalf he spoke continued to be struck by the failure of a large part of the Organization's Members to comply with their obligations to pay their assessed contributions in full, on time and without conditions.

89. The situation of the International Tribunals was very bleak. Unpaid assessments by 111 countries had led to serious cash deficits and substantial cross-borrowing and the operations of the Tribunals were being affected. He wondered whether there was a real political commitment to justice when a significant majority of Member States did not pay their share. He requested more information on the steps being taken to freeze recruitment and scale down operations and on the effect such measures would have on the work of the Tribunals. He wondered further whether the Secretary-

General intended to draw that situation to the attention of the Security Council.

90. The delegations on whose behalf he spoke noted with appreciation the progress made by the Secretariat in reducing peacekeeping liabilities to Member States and the projected reduction in peacekeeping cash balances by the end of 2004. They further noted the concern that had been expressed about depleting the cash in the accounts of closed missions and looked forward to a discussion of that issue under agenda item 134.

91. **Mr. Czawa** (Japan) welcomed the overall improvement in the financial situation of the Organization, although serious problems remained. Japan shouldered a significant part of the Organization's financial obligations and, despite its own serious economic difficulties, had made every effort to pay its assessed contributions in full, which had resulted in some reductions in its voluntary contributions to international organizations. It had paid its assessments for 2003 in full and in 2004 had already paid $17.7 million for the regular budget, $4.5 million for the two International Tribunals, and $243.9 million for the peacekeeping budget. Those payments had not been reflected in the figures provided by the Under-Secretary-General and the information should therefore be updated accordingly and on a continuing basis. He wished to reiterate the growing importance of accountability in order to satisfy the demands of Japanese tax payers and to urge the Secretariat to further enhance its efforts to ensure the most efficient use of assessed contributions.

92. He regretted the need to freeze recruitment and scale down the operations of the International Tribunals, but believed that rationalization of the budgets of the two Tribunals was essential, regardless of their cash situation. His delegation was still not satisfied with the management of the Tribunals, which should be asking why 116 Member States had not paid their assessments for 2003 and a similar number had not paid theirs for 2004. The continuation of that situation could endanger Japan's own payment of its assessed contributions.

93. Although he welcomed the decrease in unpaid peacekeeping assessments, new peacekeeping missions were expected to be established and the peacekeeping budget would rise to an unprecedented level, posing a serious challenge for Member States, whose resources were not unlimited. Moreover, the national budgetary cycles of some Member States, Japan included, made it difficult for them to make immediate payment upon receipt of the assessment letter from the Secretariat. Payment of assessments for closed peacekeeping missions, however, did not pose such difficulties and more serious efforts should therefore be made to resolve the problem of unpaid assessments for closed missions.

94. The information provided to the Committee the previous week indicated that Japan's outstanding regular budget assessment at the end of 2003 was $19 million, or 4 per cent of total outstanding assessments. In fact, however, Japan had by that time already paid 93 per cent of its total assessment for the 2003 regular budget. The fact that Japan had been paying its assessed contributions faithfully should be recognized and the Secretariat should take account of the payment records of Member States when evaluating the current payment situation.

95. **Mr. Sun** Xudong (China) said that while the financial situation of the United Nations had improved overall, it remained unsatisfactory. At the end of 2003, for example, unpaid assessments had amounted to $1.6 billion. Those arrears had put the Organization in a financial straitjacket, forcing it to rely on the unhealthy practice of cross-borrowing. If it was to play a strong role, the United Nations must be placed on a more stable financial footing. He therefore urged all Member States to pay their assessed contributions in full, on time and without conditions. The solution to the problem of arrears lay in their hands.

96. Although still a developing country with a limited capacity to pay, China recognized its responsibilities to the United Nations. It paid its assessed contributions to the two International Tribunals in full and on time each year and had arrears in only one peacekeeping mission which his Government had undertaken to pay off over a three-year period beginning in 2004. China supported the continuous strengthening of the role of the United Nations and would continue to contribute to the building of a solid financial base for the Organization.

97. **Mr. Shcherbak** (Russian Federation) expressed satisfaction that the financial situation of the United Nations had stabilized somewhat. Unpaid assessments had fallen and there had been no need for cross-borrowing to meet requirements under the regular budget in 2003. He was particularly pleased to note

that the amount owed to Member States for troop and equipment costs had almost halved. The Secretariat was to be commended for signalling in good time the potential risks connected with the pace of payments by Member States in 2003-2004 and making the necessary adjustments to its forecasts. The Russian Federation, for its part, was making considerable efforts to ensure the timely payment of its assessed contributions. It had paid its regular budget assessment for 2004 in full in the first month of the year and was up to date with its current assessments for peacekeeping operations and the two Tribunals.

98. The burden on Member States was expected to increase as a result of the establishment of new peacekeeping missions. Consequently, rational financial planning was crucial. The Organization's requirements in terms of human, material and financial resources must be evaluated realistically, taking into account the financial capacities of Member States. There was also a need for greater efficiency in the conduct of the Organization's work. His delegation stood ready to work with its partners in the Committee to achieve those goals.

99. **Mr. Chun** Yung-woo (Republic of Korea) said that, while there had been some positive developments in the financial situation of the United Nations, his delegation was deeply concerned about the financial crisis facing the two Tribunals, which were projected to end the year with a net cash deficit of $100 million. The Organization's chronic financial problems were thus far from over, and there was no room for complacency.

100. The anticipated sharp increase in the level of the peacekeeping budget as a result of the establishment of new large-scale peacekeeping operations in 2004 would make it more difficult for many Member States to pay their assessments in full and on time. Some of the major financial contributors, particularly those that took no part in Security Council decisions to create new missions or expand existing ones, might find it even more problematic to secure the domestic political support necessary to pay their contributions. It was therefore important for the Council to consult with major contributors before adopting decisions with significant financial implications. The Secretariat, for its part, should pursue its efforts to improve the management of peacekeeping operations through enhanced planning, oversight and operational efficiency.

101. With regard to the two Tribunals, his delegation supported the freezing of recruitment and the scaling down of operations. The Secretariat should take further steps to bring the Tribunals' operational costs into line with the level of payments received. While the importance of bringing to justice the perpetrators of abominable crimes against humanity could not be overstated, the opportunity costs involved and the issue of practicality should also be borne in mind. It was time to consider how long the United Nations could continue to commit to the International Criminal Tribunal for Rwanda a sum equivalent to 7 per cent of that country's gross domestic product when resources were limited and there were other more pressing priorities.

102. The Republic of Korea had always paid its regular budget contributions in full, on time and without conditions. Unfortunately, it was one of the eight major contributors that together had owed 25 per cent of peacekeeping assessments outstanding at the end of 2003. That situation was mainly attributable to the five-fold increase in the share of the Republic of Korea in the peacekeeping budget in the four-year period from 2001 to 2005, which had coincided with an 80 per cent increase in its share of the regular budget. The Republic of Korea took its responsibilities to the United Nations very seriously, and, once the transitional period was over, it would endeavour to pay its peacekeeping assessments in full and on time.

103. **Mr. Abbas** (Pakistan) noted that, while the financial situation of the United Nations had improved in 2003, some problems remained. The high level of debt to Member States continued to place a heavy burden on troop-contributing countries like Pakistan, which was owed $53.1 million, the highest amount due any Member State. The Secretariat must expedite the reimbursement to Member States of troop and equipment costs. That would build confidence in the system and encourage troop-contributors to continue to support current and future peacekeeping operations. In that connection, he urged the Secretariat not to resort to cross-borrowing from the balances of closed missions.

104. Pakistan had played its part in the maintenance of international peace and security having participated in several major United Nations peacekeeping operations. It also paid its assessed contributions in full and on time. He hoped that all Member States would demonstrate their commitment to the Organization by meeting their financial obligations under the Charter,

thus ensuring its financial stability. Lastly, while the Committee considered the financial situation of the United Nations every year, no draft decision or resolution on the matter was adopted. His delegation wished to propose that some form of follow-up to the Committee's important discussions should be instituted.

105. **Mr. Mazumdar** (India) said that while there had been an improvement in two of the three key indicators of the financial health of the United Nations, namely, the level of unpaid assessments and the amount of debt to Member States, there were a number of factors that might adversely affect the Organization's finances in 2004. Total assessments were expected to be substantially higher than in 2003 because of the increase in the level of the peacekeeping budget. Cash flows could thus be disrupted if Member States did not pay on time. Peacekeeping assessments outstanding at the end of 2003 had been over $1 billion. With new missions already approved or in the offing, that figure could increase substantially. The Secretariat also anticipated that the regular budget would end the year with a net cash deficit and that the two Tribunals and two peacekeeping missions, UNMIK and MINURSO, would have to be sustained through cross-borrowing. Yet, with the return of cash balances from closed peacekeeping missions to Member States, the principal source of cash for cross-borrowing would no longer be available. He noted with regret that 9 of the 15 major contributors, including several permanent members of the Security Council, had had peacekeeping arrears in 2003.

106. Debt to Member States providing troops and equipment was expected to increase significantly in 2004, with amounts owed for troop costs almost doubling. In that connection, he recalled that the Organization owed more than $100 million to Member States for troop and equipment costs in six closed missions that were in net cash deficit. The time had come to address that long-standing problem, which was caused by the refusal of some Member States to pay their assessments for those missions.

107. The problems to which he had referred could prove critical in 2004 and underlined the need for Member States to pay their assessed contributions in full, on time and without conditions.

108. **Mr. Bouheddou** (Algeria) noted that the large number of letters of assessment made it difficult for Governments to keep track of their payments to the United Nations and asked whether the Secretariat had considered sending reminders to Member States that did not pay their assessed contributions within a reasonable period of time, perhaps six months. He emphasized that the purpose of such a measure would not be to target Member States that were unable to meet their obligations owing to economic difficulties or that were obliged to delay their payments because of their national budget cycles.

109. **Ms. Udo** (Nigeria) said that she felt compelled to respond to certain comments she had heard concerning the International Criminal Tribunal for Rwanda. The genocide in that country had taken place before the eyes of the world and had rightly been condemned. Subsequently, the Security Council had established a Tribunal to bring the perpetrators to justice. Like the International Tribunal for the Former Yugoslavia, the Rwanda Tribunal had made significant progress in the implementation of its mandate and had reached a critical stage in its work. The General Assembly would send a very regrettable message if it failed to provide the Tribunals with the necessary resources to complete their important work. While Security Council resolutions were binding on Member States, Governments also had a moral responsibility to ensure that the Tribunals were adequately funded.

110. **Mr. Elji** (Syrian Arab Republic) said that even though the information circulated informally to delegations had stated otherwise, the Syrian Arab Republic had paid its assessed contributions for the regular budget, the peacekeeping missions and the Tribunals in full and on time.

111. **Ms. Afifi** (Morocco) recalled that, in 2003, payment of Morocco's assessed contribution to MINURSO had been delayed because her Government had not been informed in a timely fashion of the modalities for paying in national currency. She proposed that, in future, the Secretariat should provide such information at the beginning of the year.

112. **Ms. Bertini** (Under-Secretary-General for Management) said with regard to the two Tribunals that, in the autumn of 2003, the Secretary-General had written to all Member States with contributions outstanding. Nevertheless, at year-end, 111 Member States had been in arrears. That figure had since been reduced to 93. In that connection, she was pleased to note that Japan, which had owed almost half of the

amount outstanding, had now paid its assessments for 2003 in full. Regrettably, only 37 Member States were fully paid up for 2004, and unpaid assessments currently stood at $174 million. Since opportunities for cross-borrowing were now limited, the Secretariat had been forced to freeze recruitment and request the Registrars to submit plans for the reduction of expenditures at the two Tribunals. Clearly, those measures could not but affect the Tribunals' work.

113. The solution to the financial crisis facing the Tribunals lay in the hands of Member States. One delegation had asked why so many Member States failed to pay their assessed contributions to the Tribunals. It might be more helpful to consider why Member States, having voted to approve budgets, then failed to pay their share of those budgets. The Secretary-General could, of course, alert the Security Council to the situation. However, the financing of the Tribunals was the responsibility of the General Assembly. She wished to assure the Committee that the Administrative Officers of the two Tribunals were highly skilled managers who were working diligently to address the management issues raised by delegations.

114. Since she had addressed the Committee at its 41st meeting, held on 4 May 2004, three Member States — Guatemala, the Marshall Islands and Senegal — had paid their assessments for 2004 in full. Another 10 Member States — Angola, Cuba, Dominica, Indonesia, Japan, Kenya, Kiribati, Lithuania, Swaziland and Uganda — had paid their regular budget contributions for 2003 in full, bringing the number of Member States that had done so to 141. In response to the proposal made by the representative of Algeria, she said that the Secretariat could perhaps send quarterly reminders to Member States in arrears.

115. **Ms. Lock** (South Africa) asked whether the freeze on recruitment at the two Tribunals applied across the board or only in specific areas. She recalled that, in December 2003, the Committee had approved a number of new posts in the Rwanda Tribunal in connection with the establishment of the Office of the Prosecutor. The revised completion strategy was based on the assumption that the Tribunal would be able to work at a faster pace with those new staff and with the recruitment of additional judges.

116. **Ms. Bertini** (Under-Secretary-General for Management) said that, since all areas of the Tribunals' work were critical, the freeze on recruitment would not be applied selectively.

The meeting rose at 1.05 p.m.

United Nations A/C.5/58/SR.43

General Assembly
Fifty-eighth session

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Fifth Committee

Summary record of the 43rd meeting
Held at Headquarters, New York, on Thursday, 13 May 2004, at 10 a.m.

Chairman: Mr. Kmoníček ..... (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

Contents

Agenda item 134: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

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04-34968 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 134: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*) (A/58/613, A/58/704 and A/58/746)

1. **Mr. Nair** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services on the audit of the policies and procedures for recruiting Department of Peacekeeping Operations staff (A/58/704), said that the audit had focused on appointments of staff in the Professional category and above made during 2002. Of the 105 vacancies filled, 103 had been advertised before the introduction of the new staff selection system, which had come into force on 1 May 2002. Those 103 posts had been filled on the basis of recommendations of the appointment and promotion bodies under the "old" system. The audit had also reviewed pending recruitment actions initiated in 2002.

2. The average time taken to fill the 105 vacancies in 2002 had been 347 days. That significantly exceeded the goal of 120 days set in the report of the Secretary-General on human resources management reform (A/55/253 and Corr.1) and was attributable mainly to the substantial effort required to process the almost 13,800 applications received and the problems encountered with the Galaxy system, which was still being developed at the time.

3. The Office of Internal Oversight Services (OIOS) had found that the criteria for determining staff members' eligibility to apply for vacancies had undergone significant changes with the introduction of the new staff selection system in May 2002. The new system appeared to allow staff members to be considered for posts that were two or more levels higher than their current level. OIOS was concerned that that provision was not articulated in the Secretary-General's report or explicitly enunciated in the relevant administrative instruction. The lack of clarity with respect to eligibility criteria might have deprived many staff members of the opportunity to compete for posts. It also increased the risk of arbitrariness in recruitment, a problem that the existing control mechanisms might be unable to prevent. The Office of Human Resources Management had accepted the recommendation of OIOS that it should review and clarify the eligibility criteria.

4. With regard to geographical distribution, in broad terms, the nationalities of staff recruited by the Department of Peacekeeping Operations during 2002 had been well dispersed. There had also been an improvement in the Department's gender ratio during the year, with 35 per cent of the recruits being women.

5. OIOS had made five recommendations as a result of the audit, all of which had been accepted. The Office of Human Resources Management and the Department of Peacekeeping Operations had initiated the necessary action for their implementation. OIOS would be following up on those matters as part of the Secretariat-wide review of human resources management mandated in General Assembly resolution 57/305.

6. Turning to the report of the Office of Internal Oversight Services on the evaluation of the impact of the recent restructuring of the Department of Peacekeeping Operations (A/58/746), he said that the evaluation had involved the examination of documents, questionnaires and interviews of management and staff, both at Headquarters and in the field. The results of recent oversight studies and reviews of the Department of Peacekeeping Operations had been taken into account, and the views of Member States and other stakeholders had been sought. OIOS appreciated the cooperation extended to it by the management and staff of the Department during the exercise.

7. OIOS had found that, while more time was needed for the reform of the Department to realize its full impact, the process was on the right track. Restructuring had enhanced the Department's strategic and analytical capacity and its ability to handle complex, multidimensional operations. Cooperation with stakeholders had become more focused, consistent and comprehensive. The Department was in the process of creating a reliable mechanism for identifying best practices and institutionalizing them as established policies.

8. Nevertheless, there remained room for improvement. The report's 30 recommendations were aimed at helping the Department to reach the objectives of the restructuring in an efficient and effective manner. While the recommendations covered a wide range of issues, he wished to highlight four key areas. First, there was a need for a comprehensive, coherent and consistent set of policies embracing all activities. The Department should establish an effective

mechanism for developing, promulgating, maintaining and updating its policies through authoritative documents and train staff in their implementation. Second, in consultation with its partners and stakeholders, it should study the practical application of various models for the strategic and operational planning of peacekeeping operations with a view to formulating clear and effective policies and procedures that would be consistently applied. Third, all prior objectives and commitments in the area of information management and information technology development should be implemented without further delay based on an action plan with clearly set deliverable outputs, timelines, benchmarks and resources. Fourth, the Department should adopt a sound and transparent procedure for reviewing the strength, structure and deployment of its staff.

9. The Department concurred with the recommendations of OIOS, and action on some of them was already under way. OIOS believed that the Director of Change Management should play a key role in the implementation of its recommendations and in the reform and restructuring in general. The efficient management of change and the effective repositioning of the Department's capacity would be essential if it was to meet successfully the new challenges that continued to emerge.

10. The report of the Office of Internal Oversight Services on the administration of peacekeeping trust funds (A/58/613) summarized the results of an audit of the administration of peacekeeping trust funds conducted by OIOS at Headquarters during October and November 2002. The objective of the audit had been to assess whether the trust funds had been effectively utilized and whether proper guidance had been provided to the persons responsible for managing those funds in the field. The audit had covered 31 trust funds related to peacekeeping operations for the fiscal year ended 30 June 2002. Those funds, which had had a combined balance of almost $170 million, at the end of the audit period, were administered by individual peacekeeping missions, the Department of Peacekeeping Operations and the Department of Political Affairs.

11. Eight trust funds with a combined balance of more than $53 million had shown no expenditures, transfers or adjustments during the period under review. In most cases, those funds had been established in the early 1990s for peacekeeping missions that were now closed. OIOS recommended that donors should be approached with a recommendation for redirecting the remaining resources. Where necessary, a new implementing office should be designated. If that was not feasible, the trust funds should be closed and the unspent balances returned to donors. OIOS was of the view that the remaining resources could be used for related political, humanitarian or development activities in the locations where the trust funds were originally established. The process of identifying and redeploying dormant fund balances needed to be improved. The purpose of seven trust funds administered by the Department of Peacekeeping Operations with a combined balance of almost $2 million needed to be redefined as their original purpose was no longer valid. Funds with small balances should be closed, while other funds should be utilized for current operations. Eleven trust funds with a combined balance of $111 million were being administered by peacekeeping missions. The issuance of a guidance manual would ensure greater consistency in their overall administration.

12. OIOS recommended the development of a mechanism to finance the administrative and management costs of peacekeeping trust funds from programme support costs and the introduction of standardized financial reporting. The establishment of a web site would enable the Department to highlight trust fund activities and provide information to Member States and the public about trust fund utilization.

13. He was pleased to note that the management of the offices concerned had already taken steps to implement the recommendations of OIOS. Nevertheless, the Office would continue to monitor and review the administration of peacekeeping trust funds.

14. **Ms. Stanley** (Ireland), speaking on behalf of the European Union, the associated countries (Bulgaria, Romania and Turkey), the stabilization and association process countries (Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro and the former Yugoslav Republic of Macedonia), and, in addition, Iceland and Norway, said that the European Union considered the report of the Office of Internal Oversight Services on the evaluation of the impact of the recent restructuring of the Department of Peacekeeping Operations (A/58/746) to be one of the most important documents before the Committee. However, since some of the recommendations of OIOS

required policy changes, the report should also be brought to the attention of the Security Council and the Special Committee on Peacekeeping Operations.

15. The European Union was committed to effective peacekeeping, which was a core function of the United Nations. Accordingly, it had strongly supported the recommendations of the Panel on United Nations Peace Operations aimed at strengthening the capacity of the Department of Peacekeeping Operations to plan, deploy and manage peacekeeping operations. Given the expected upsurge in peacekeeping activities, the report of OIOS offered a timely insight into the Department's ability to ensure effective backstopping of all peacekeeping operations. The European Union agreed that, while the reform was on the right track, some measures would need more time to realize their impact fully and certain areas still needed attention. Some of the shortcomings identified by OIOS gave cause for concern and the Secretariat should act on the Office's recommendations as a matter of urgency.

16. While the integrated mission task force concept was welcome, the principles had not been fully implemented and the concept required further development at the interdepartmental level. The European Union, moreover, agreed with OIOS that, while the Department's Military Division provided good operational support, the assessment of the military preparedness and effectiveness of forces in the field required greater attention. Such assessment should take place no later than one year after deployment.

17. It was unacceptable that the Department should have neither an information technology systems strategy nor a strategic plan for building and sustaining an information technology capability. The European Union expected the resources it poured into information technology to improve the efficiency and working methods of staff throughout the United Nations, particularly those in the General Service category. It regretted that the Department was continuing in an unstructured fashion and therefore fully supported the OIOS recommendation that the Director of Change Management should establish a departmental information technology committee to formulate and implement a strategic information technology plan.

18. The European Union also agreed that ongoing consultation between the Department of Political Affairs and the Department of Peacekeeping Operations was essential to ensure coherent approaches, especially with respect to United Nations missions in West Africa, and that regional synergies should be exploited where possible. It was also necessary to strengthen the linkage between the budgetary benchmarks and the Security Council reporting process. A more formal mechanism must be established to collect and disseminate lessons learned from staff returning from the field, while the exact role and functions of the Situation Committee needed to be clearly defined if it was to perform as expected, particularly in support of the security and safety of United Nations personnel in the field. The Director of Change Management must play a more proactive role in reviewing the organizational structure of the Department of Peacekeeping Operations and ensuring that best practices were institutionalized, including through the maintenance of authoritative policy documents.

19. The report also touched on the issue of recruitment. The problems highlighted — teething troubles with the Galaxy system and the rapid deployment roster, the delay in restructuring the Field Service category, issues related to delegation of recruitment authority, and the lack of generic job profiles — must be addressed urgently if the Department was to be in a position to handle the expected upsurge in peacekeeping activities. The report of the Office of Internal Oversight Services on the audit of the policies and procedures for recruiting Department of Peacekeeping Operations staff (A/58/704) also noted such shortcomings as the lack of clarity in eligibility requirements and the need to standardize the ranking of applicants. While the system of desirable ranges did not apply to most posts in the Department and most troop contributors were represented, geographical representation and gender balance remained important issues for many Member States and further improvements could be made.

20. The European Union fully concurred with the recommendations contained in the report of the Office of Internal Oversight Services on the administration of peacekeeping trust funds (A/58/613) and noted with satisfaction that the Secretariat had accepted them unconditionally. It welcomed the establishment of a working group to review the management of trust funds but wished to receive clarification concerning the role the working group would play in oversight. There

should be some automaticity as far as the review of trust funds was concerned. The European Union would suggest that, when a trust fund had been inactive for more than one year, its continued existence should be reconsidered. While the dispatch to peacekeeping missions of draft standard operating procedures for the management of trust funds in peacekeeping operations was welcome, those guidelines should be promulgated and the Secretariat should indicate what authority would be responsible for ensuring compliance with the new procedures. Lastly, it would be helpful to receive an update on the discussions that had taken place within the working group on the issue of administration costs.

21. **Ms. Buchanan** (New Zealand), speaking also on behalf of Australia and Canada, said that the three delegations continued to value the contribution that OIOS made to the United Nations. Its recommendations were most helpful when they were practical, targeted and timely.

22. With regard to the restructuring of the Department of Peacekeeping Operations (A/58/746), the assessment of OIOS that the Department's capacity had increased and that the reform process was on the right track was reassuring. The implementation of the recommendations of OIOS should further enhance the Department's performance in such critical areas as integrated mission planning and incorporation of lessons learned into processes and guidelines. At the same time, the lack of progress in elaborating a coherent information technology plan was troubling, as were the limitations identified in the Department's ability to systematize policies and analyse the effectiveness of its peacekeeping activities. Peacekeeping was a critical area of the Organization's work, however, and the reform of the Department was a work in progress. The three delegations were therefore committed to ensuring that the Department had the right tools and resources to provide adequate support to peacekeeping operations.

23. Concerning the audit of the policies and procedures for recruiting DPKO staff (A/58/704), she noted that the majority of the posts included in the audit had been advertised before the introduction of the new staff selection system. The Committee would be considering recruitment at the fifty-ninth session of the General Assembly, when a fuller picture should be provided of the application of current recruitment policies and of the progress made in enhancing the recruitment process and the Galaxy system.

24. Concerning the audit of the administration of peacekeeping trust funds (A/58/613), she noted with concern that no guidelines had been promulgated for the management of those funds and that many funds with large balances were inactive. She welcomed the establishment of a working group to improve the administration of trust funds and looked forward to receiving its report at the Assembly's fifty-ninth session.

25. **Mr. Wittmann** (United States of America) said that his delegation would have preferred to have an outside organization conduct the evaluation of the impact of the restructuring of the Department. However, the report of OIOS (A/58/746) showed that the process was on the right track and that human resources issues required greater attention. In that connection, his delegation wished to caution against overly broad solutions. For example, rather than convert a large number of staff in peacekeeping missions from the 300 series of the Staff Rules to the 100 series, as the Secretary-General proposed to do, it might be more appropriate to review the status of the contract series.

26. His delegation shared the concerns of OIOS with respect to civilian police operations. Law enforcement issues increasingly determined whether missions could be downsized and it would therefore be helpful for the Civilian Police Division to have sufficient institutional memory to accomplish its mission. His delegation was pleased to note the evidence of increased cooperation and coordination among the different departments of the Organization, which had led to a vast improvement in the management of peacekeeping operations. In that connection, it supported the recommendation of OIOS concerning the integrated mission task forces concept.

27. The enhancement of the Force Generation Service had facilitated the planning and implementation of the military component of peacekeeping operations. In order to accomplish a peacekeeping mandate, it was essential to use the best available troops. His delegation therefore agreed with OIOS that the preparedness and effectiveness of forces in the field should be maintained at the high levels necessary. It also supported the Office's call for authoritative documentation of policies. Communication and training were vital for the

dissemination of policies, and the relevant recommendations of OIOS should therefore be implemented as quickly as possible. His delegation welcomed the implementation of results-based budgeting in the Department of Peacekeeping Operations and the quality of its application. While there were still improvements to be made, the Secretariat's track record of enhancing its products in response to the Committee's concerns should be noted.

28. Turning to the audit of the policies and procedures for recruiting Department of Peacekeeping Operations staff (A/58/704), he said that his delegation's views on delays in recruitment were well known. It accepted that the unprecedented number of applications during the audit period had caused difficulties, and it trusted that, as the Galaxy system was fine-tuned, similar situations could be avoided. The Secretariat should take note of the Office's recommendations on eligibility requirements and apply the guidelines contained in the human resources handbook. Gender balance in the Department was improving, and, while support account posts were not subject to the same stringent standards regarding geographical distribution as regular budget posts, the Department was acting responsibly in seeking to ensure a broad representation of Member States and troop-contributing countries.

29. The Secretary-General was to be commended on the progress made in enhancing peacekeeping operations and his delegation looked forward to evaluating new proposals for further improvements based on the recommendations of OIOS.

The meeting rose at 10.45 a.m.

United Nations A/C.5/58/SR.44

General Assembly
Fifty-eighth session

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Fifth Committee

Summary record of the 44th meeting
Held at Headquarters, New York, on Wednesday, 19 May 2004, at 10 a.m.

Chairman: Mr. Kmoníček ..... (Czech Republic)
later: Mr. Bouheddou (Vice-Chairman) ..... (Algeria)
later: Mr. Kmoníček ..... (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

Contents

Agenda item 134: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Agenda item 127: Human resources management

Agenda item 134: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Special measures for protection from sexual exploitation and sexual abuse

Agenda item 121: Programme budget for the biennium 2004-2005 (*continued*)

Possibility of operating guided tours, bookstores and gift shops at the United Nations Office at Nairobi and the cost implications thereof

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04-35577 (E)

The meeting was called to order at 10.05 a.m.

Agenda item 134: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*) (A/58/762, A/58/778, A/58/796 and A/58/799)

1. **Ms. McDonald** (Director of the Facilities and Commercial Services Division, Office of Central Support Services), introducing the report of the Secretary-General, entitled "Analysis of establishing a global procurement hub for all peacekeeping missions in Brindisi, Italy" (A/58/762), said that, with the exception of the development and testing of information systems, which could be conducted without real time interactions, the comprehensive review had concluded that the disadvantages of the creation of the procurement hub in Brindisi outweighed the advantages. She noted in particular the need for the Logistics Support Division and the Procurement Division of the Department of Management to coordinate their activities closely with other services at Headquarters and to respond, often at short notice, to requests from the Security Council, the General Assembly, external auditors, United Nations agencies and Member States. Relocation of those two Divisions would pose particular administrative challenges and require additional layers of management and duplication of liaison and support functions. It would also weaken the capacity of the Procurement Division to manage and direct overall procurement strategies and oversight. The modern trend in procurement was towards centralization in order to achieve volume discounts and establishment of a hub in Brindisi would weaken the Procurement Division's role as a lead agency for procurement for other agencies, thus negatively affecting the common services initiative.

2. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/58/796), said that during the Advisory Committee's consideration of the report of the Secretary-General (A/58/762), it had become apparent that the current submission constituted only a first attempt. The Advisory Committee was of the view that a more thorough review should be submitted and had discussed with the Secretariat guidelines indicating the areas that should be developed in a subsequent report. It therefore proposed that further action on the matter be deferred pending preparation of a new, comprehensive report, to be submitted to the General Assembly at its fifty-ninth session.

3. **Ms. Pollard** (Director of the Peacekeeping Financing Division), introducing the report of the Secretary-General on the updated financial position of closed peacekeeping missions as at 30 June 2003 (A/58/778), said that the net cash available for credit to Member States as at 30 June 2003 amounted to $178.7 million, including the amount of $84.4 million which would not be credited to Member States until 30 June 2004, in accordance with General Assembly resolution 58/288. The net cash balance available for credit to Member States was therefore $94.2 million for the 12 closed missions with cash balances.

4. The loans totalling $152 million that had been made between 30 June 2003 and 31 March 2004 to sustain operations had been fully repaid and did not negatively impact the cash balances. As at 31 March 2004, the operating deficit of the six closed peacekeeping missions with cash deficits as at 30 June 2003 was $100.5 million.

5. The cash available in the Peacekeeping Reserve Fund was $163.3 million as at 5 May 2004. Taking into account the outstanding loan of $12.8 million to the United Nations Mission in the Central African Republic (MINURCA) and the recent loan of $3.5 million to the United Nations Operation in Côte d'Ivoire (UNOCI), a cash balance remained of approximately $147 million. The new operations would be financed from the Peacekeeping Reserve Fund until new assessments were collected. Given the time lag of about 60 to 120 days between the issuance of assessments and the collection of contributions, the Secretary-General proposed that, following the return of $84.4 million to Member States by 30 June 2004, the remaining cash available, totalling $94.2 million, should be retained until 31 October 2004 to supplement the Peacekeeping Reserve Fund in order to finance the initial requirements of new peacekeeping operations.

6. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/58/799), said the report contained updated financial information on unpaid assessments, accounts payable to Member States, other liabilities relating to closed peacekeeping missions as at 30 June 2003 and the projected requirements of UNOCI, the United Nations Operation in Burundi

(ONUB) and the United Nations Stabilization Mission in Haiti (MINUSTAH) up to 31 October 2004.

7. While the postponement of the return of available cash to Member States was a political decision to be taken by the General Assembly, the Assembly might wish to take continued account of paragraph 12 of the Advisory Committee's report on implementation of paragraph 3 of General Assembly resolution 57/323 (A/58/732), in which the Advisory Committee pointed out that cash from closed missions appeared to be the only source that could be used for temporary cross-borrowing when the International Tribunals or active peacekeeping operations ran out of cash. Cash from closed missions was also a source of funding for new missions, in addition to the Peacekeeping Reserve Fund. Borrowing from active missions was not permitted under General Assembly resolutions and the use of the Peacekeeping Reserve Fund was restricted to the purposes set out in General Assembly resolution 49/233 A of 23 December 1994.

8. **Ms. Stanley** (Ireland), speaking on behalf of the European Union, the associated countries (Bulgaria, Romania and Turkey), the stabilization and association process countries (Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro and the former Yugoslav Republic of Macedonia), and, in addition, Liechtenstein and Norway, welcomed the proposal of the Secretary-General to credit $84 million to Member States by 30 June 2004 in accordance with General Assembly resolution 58/288.

9. The European Union noted the Secretary-General's suggestion that the remaining cash available be retained until 31 October 2004 to supplement the Peacekeeping Reserve Fund in order to finance the initial requirements of new peacekeeping operations and wished to reiterate that allowing the Secretariat to retain Member States' money from closed missions was simply another form of subsidy and therefore unacceptable. The Union nevertheless recognized the critical importance of ensuring adequate initial funding for new peacekeeping operations and accepted the retention of $94 million until no later than 31 October 2004, at which time that amount must be returned to Member States.

10. **Mr. Wang** Xinxia (China) said that any cash balance which remained following the liquidation of closed missions should be returned to Member States. In the light of the situation facing United Nations peacekeeping operations, however, and in the interest of ensuring timely and effective deployment and implementation of peacekeeping operations, his delegation would consider the Secretary-General's proposal to retain the cash balance of $94.2 million until 31 October 2004 in order to finance the initial requirements of the new peacekeeping operations. That position, however, was without prejudice to the understanding that the cash balance should be returned to Member States as soon as assessments were received, unless the Member States authorized otherwise.

11. **Mr. Mazumdar** (India) said that his delegation supported the Secretary-General's proposal to retain the $94.2 million available for credit to Member States in order to meet the start-up requirements for new peacekeeping missions. It was concerned, however, at the lack of adequate follow-up to General Assembly resolution 57/323 concerning the issue of outstanding dues owed to Member States from closed peacekeeping missions that were in net cash deficit and looked forward to addressing the issue during future meetings of the Committee.

Agenda item 127: Human resources management

Agenda item 134: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

Special measures for protection from sexual exploitation and sexual abuse (A/58/777)

12. **Ms. McCreery** (Assistant Secretary-General for Human Resources Management), introducing the report of the Secretary-General on special measures for protection from sexual exploitation and sexual abuse (A/58/777), said that the report represented only a first step in ensuring compliance throughout the United Nations system with the principles and standards enunciated in the Secretary-General's Bulletin of 9 October 2003 (ST/SGB/2003/13). Improvements still needed to be made in the design of data-collection protocols and the development of a common nomenclature based on explicit and well-understood standards. Various field operations, for example, had significantly different terminology and data categories which would need to be aligned before the next data-collection exercise.

13. The report included data on the reported occurrence of cases of sexual exploitation and sexual abuse within the United Nations system, on efforts under way to prevent such acts and on the progress made in the development of guidelines and tools to establish a reporting process that was sensitive to the needs of victims and help to promote a culture in which sexual exploitation and abuse were not tolerated. Practical guidelines for monitoring sexual exploitation and sexual abuse at the field level had been developed, training programmes were available and model reporting procedures and investigative protocols were in the final stages of development.

14. Turning to the reports of sexual exploitation by civilian, police and military contingents in Kosovo and in the Dunia region of the Congo, in the case of Kosovo, the report prepared by Amnesty International had been discussed by the Department of Peacekeeping Operations and the United Nations Interim Administration Mission in Kosovo (UNMIK) and recommendations on preventive and other actions contained in the report from Amnesty International would be further reviewed at a meeting that would be held the following day between Amnesty International and the Department. With regard to the Congo, preliminary internal investigations in early 2004 had revealed widespread abuses and the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) would therefore be undertaking a formal investigation supported by the Office of Internal Oversight Services (OIOS). In early May the Mission had put in place an action plan, including specific measures for deterrence and the establishment of an emergency multisectoral task force charged with ensuring full compliance with the Secretary-General's Bulletin.

15. The Secretary-General's Bulletin of October 2003 was addressed to all United Nations staff, while forces conducting operations under United Nations command and control were prohibited from committing acts of sexual abuse and exploitation under international law. Stronger measures were needed, however, to ensure that those forces did in fact comply with their obligations and were held accountable for their actions by their countries of origin. Member States could support the Secretariat's efforts by incorporating the core principles enshrined in the Secretary-General's Bulletin on sexual exploitation and sexual abuse into the standards and codes of conduct for national armed forces and police forces. Member States should also ensure that military personnel and civilian police serving with United Nations operations were held accountable for any acts of sexual exploitation and abuse.

16. **Ms. Stanley** (Ireland), speaking on behalf of the European Union, the associated countries (Bulgaria, Romania and Turkey), the stabilization and association process countries (Albania, Bosnia and Herzegovina, Croatia, Serbia and Montenegro and the former Yugoslav Republic of Macedonia), and, in addition, Iceland, Liechtenstein and Norway, said that sexual exploitation, including all forms of trafficking and related offences, particularly of vulnerable persons dependent on international aid, was completely unacceptable.

17. The European Union welcomed the progress made towards the establishment of a reporting process that was sensitive to the needs of victims and towards the promotion of a culture in which sexual exploitation and abuse were not tolerated. Transparent monitoring and accountability structures needed to be established for both civilian and military personnel in field operations, with appropriate back-up at Headquarters and the Organization should work more closely with Member States to achieve greater transparency and accountability.

18. The concrete measures described in the report to ensure protection from sexual exploitation and abuse were important steps. All categories of personnel serving under the United Nations flag should be made fully aware of the standards of conduct expected of them, including through appropriate training. The European Union welcomed the proposals of the working group established by the Executive Committee on Humanitarian Affairs, in particular the appointment of a senior-level female staff member to serve as a sexual exploitation and abuse focal point in field operations. It was also important that investigation teams in such cases be gender balanced.

19. Given the importance of incorporating the core principles of the Secretary-General's Bulletin into codes of conduct throughout the United Nations system, the European Union fully supported the guidelines completed by the Inter-Agency Standing Committee Task Force on Protection from Sexual Exploitation and Abuse in Humanitarian Crises and welcomed its ongoing commitment to address the

issue. Compliance procedures and victim support mechanisms, however, were not yet adequate. Those guilty of sexual exploitation must be held accountable and not be eligible for future duties with the Organization. Appropriate complaints procedures and investigative protocols must be developed under the guidance of the Task Force. Those responsible for the sexual exploitation and trafficking of women and girls in post-conflict situations should not go free and civilian and military personnel should not be able to commit human rights violations with impunity.

20. **Mr. Kramer** (Canada), speaking also on behalf of Australia and New Zealand, underscored the importance of full implementation of General Assembly resolution 57/306 and of the Secretary-General's Bulletin on special measures for protection from sexual exploitation and sexual abuse (ST/SGB/2003/13). Those issues required continuing vigilance and action on a broad agenda, including measures to reduce the vulnerability of communities to exploitation, managerial arrangements to ensure appropriate standards of conduct and the definition of clear lines of responsibility and accountability.

21. While welcoming the measures being developed through the Executive Committee on Humanitarian Affairs and the vesting of specific responsibilities in resident and humanitarian coordinators, he was concerned that inadequate complaint procedures and victim support mechanisms could lead to underreporting of incidents. Information should be provided on how that gap would be closed and on the measures being taken to reinforce those issues with peacekeepers. He also noted with satisfaction the discussion in the Special Committee on Peacekeeping Operations of the need to improve monitoring and notification of conduct in field operations.

22. With regard to the 52 cases of exploitation that had been reported during 2003, he inquired what action had been taken in those cases where serious misconduct had been confirmed. In the 8 confirmed cases involving military personnel, he wondered how accountability had been discharged, bearing in mind the shared responsibility of troop-contributing countries. As for the 12 cases involving the Office of the United Nations High Commissioner for Refugees (UNHCR), which had been closed because the alleged perpetrators were not staff members, he asked whether such people were therefore immune from accountability. Information would be welcome on the recourse sought by UNHCR in such cases and he recognized the attention being devoted to their follow-up by the Office of the Inspector-General of UNHCR.

23. **Ms. Lock** (South Africa) recalled her delegation's strong condemnation of any form of sexual exploitation or abuse by United Nations personnel in refugee camps or peacekeeping mission areas and expressed regret that such incidents continued to occur. Even one incident was one too many and could not be tolerated. Her delegation was therefore encouraged by the concrete steps taken to prevent sexual exploitation and abuse and to ensure greater awareness among all categories of United Nations personnel of the expected standards of conduct. It welcomed the Secretary-General's Bulletin and the action taken by various United Nations entities to adapt their codes of conduct accordingly. She also stressed the importance of the development of guidelines to facilitate implementation of the Bulletin, the development of training programmes and the finalization of model complaint procedures and investigative protocols, measures which should help prevent the recurrence of any such incidents and ensure that those responsible were held accountable.

24. She recalled that in 2003 OIOS had found that conditions in the refugee camps and communities made refugees vulnerable to sexual and other forms of exploitation (A/57/465) and noted that the report did not elaborate on the measures that had been taken to improve the conditions of refugees and vulnerable communities with a view to reducing the risk of exploitation. Those measures should be reported in greater detail by the appropriate intergovernmental bodies. She also noted that many of the measures set out in General Assembly resolution 57/306, entitled "Investigation into sexual exploitation of refugees by aid workers in West Africa", continued to require attention and should be reviewed in depth in the appropriate forums.

25. **Mr. Eljy** (Syrian Arab Republic) welcomed the progress made in the area of monitoring, but called for an integrated approach to the issue, including the dissemination of information regarding the Organization's zero tolerance of sexual exploitation and abuse of local populations. A clearly defined complaints procedure was also essential. Both OIOS and the working group set up by the Executive Committee on Humanitarian Affairs were encouraged

to pursue their efforts towards full implementation of the Secretary-General's Bulletin.

26. **Mr. Mazumdar** (India) said that, in view of the reports of sexual exploitation and abuse in a wide range of United Nations operations, the Organization as a whole must take measures to ensure that such incidents were properly dealt with. While his delegation supported the Secretary-General's request contained in paragraph 15 of his report (A/58/777), it did not necessarily endorse all of the report's contents, some of which would have to be discussed in forums other than the Fifth Committee.

27. **Ms. Udo** (Nigeria) said that the decision to consider the Secretary-General's report under two agenda items clearly illustrated the importance of the issue and its relevance for the Organization as a whole. Although only six United Nations entities had reported cases of sexual exploitation or sexual abuse, many other incidents might have occurred that had gone unreported. The actions of those who abused the most vulnerable members of society, particularly women and children, were deplorable and emphasis must be placed on providing an appropriate response to the situation. She welcomed the steps taken by the Secretary-General to sensitize all United Nations personnel to the seriousness of sexual exploitation and sexual abuse and the need to eradicate those practices and commended the Secretariat on the action it had taken in response to the requests of the General Assembly. Prevention was always better than cure, however, and additional measures must be taken to implement the relevant recommendations of OIOS.

28. **Ms. Goicochea** (Cuba) said that the report of the Secretary-General should also be discussed by other relevant bodies. The continued occurrence of sexual exploitation and abuse called into question the credibility of United Nations operations and undermined their aims. In cooperation with concerned Member States, the Organization must therefore ensure that those responsible for such abuses were properly dealt with. While she welcomed the measures taken by the Secretary-General, much still remained to be done.

29. **Ms. McCreery** (Assistant Secretary-General for Human Resources Management) welcomed Member States' support for the Secretary-General's efforts and stressed that all departments of the Secretariat were actively working to implement the provisions of his Bulletin. It was apparent that the measures currently in place to address the issue of sexual exploitation and sexual abuse were only catching a small proportion of cases. Victims needed to be made aware of the correct channels for lodging complaints and must feel confident that their complaints would not lead to reprisals. To that end, a number of new measures had recently been introduced, including the distribution to local communities of an information sheet detailing their rights, the publication of a standard referral form for complaints and the preparation of a series of scenarios, to be used for training purposes, that provided precise definitions of misconduct. The Office of Human Resources Management was currently finalizing model complaints procedures and investigative protocols for cases of sexual exploitation and abuse. Proper investigation was crucial if perpetrators were to be brought to justice.

30. Action was also being taken to reinforce the provisions of the Secretary-General's Bulletin among peacekeepers, which was an ongoing task owing to the high personnel turnover rate. Measures already implemented included the dissemination in local languages of the standards of conduct for contingents and the repatriation of any contingents found to be in breach of the code. For their part, Member States should ensure that military personnel serving with United Nations peacekeeping missions were held accountable for any acts of sexual exploitation and abuse.

31. In response to the question raised by the representative of Canada regarding the specific outcomes of investigations, she said that the individuals in question from UNHCR had been dismissed. Although 12 cases involving UNHCR had been closed because the alleged perpetrator was not a staff member, those individuals had not necessarily escaped sanction. Incidents involving members of non-governmental organizations were referred to the relevant organization, and if the alleged perpetrator was a member of the local civilian population the local law enforcement authorities were also notified. The next report on special measures for protection from sexual exploitation and sexual abuse should contain a more detailed analysis of reported cases that did not involve United Nations staff members.

32. **Ms. Goicochea** (Cuba) said that the next report should provide more explicit information regarding action taken against perpetrators of sexual exploitation and abuse. With regard to cases over which the United

Nations did not have jurisdiction, she inquired whether the Secretariat planned to incorporate a clause concerning sexual exploitation and abuse into cooperation agreements with non-governmental organizations and agreements concluded with Member States governing their participation in United Nations field operations.

33. **Mr. Mazumdar** (India) said that he would like information about the measures that could be taken by the United Nations to ensure that members of non-governmental organizations who committed acts of sexual exploitation or abuse were prosecuted.

34. **Mr. Kramer** (Canada) requested more specific information on the action taken by the Secretariat in respect of the eight cases of serious misconduct involving military personnel.

35. *Mr. Bouheddou (Algeria), Vice-Chairman, took the Chair.*

36. **Ms. McCreery** (Assistant Secretary-General for Human Resources Management) said that the purpose of section 6 of the Secretary-General's Bulletin was to ensure that all entities and individuals entering into cooperation arrangements with the United Nations complied with the standards of conduct set out in section 3 of the Bulletin. In addition, a number of donor countries had opted to incorporate the standards into their funding agreements with non-governmental organizations. The Bulletin did not address what specific action should be taken against individual perpetrators of acts of sexual exploitation and abuse.

37. Referring to the remarks made by the representative of Cuba, she said that efforts would be made to include more detailed information in the next report. The standards of conduct set out in the Bulletin were not currently incorporated into agreements concluded with Member States on peacekeeping contingents, but the Secretariat intended to work towards that objective.

38. **Ms. Lock** (South Africa) said that, while her delegation supported efforts to strengthen dialogue and cooperation between national governments, details of specific actions taken by Member States against individual perpetrators should not be included in reports of the Secretary-General. The Fifth Committee must approach the question at issue from an administrative standpoint and refrain from attempts to micromanage. Detailed discussions of the substantive aspects of the issue should take place in other forums.

39. **Mr. Mazumdar** (India) said that, while he condemned all incidents of sexual exploitation and abuse, regardless of the perpetrators, he regretted the fact that some delegations were attempting to politicize a primarily humanitarian issue by focusing on events that had occurred during peacekeeping missions.

40. **Ms. Buchanan** (New Zealand), speaking in her capacity as Coordinator of the agenda item and supported by **Mr. Herrera** (Mexico), proposed that the Secretariat should prepare a draft decision taking note of the Secretary-General's report. Relevant comments made by Member States during the debate should also be included.

41. **The Chairman** said that he would request the Secretariat to prepare a draft decision on the Secretary-General's report.

42. *It was so decided.*

43. *Mr. Kmoníček (Czech Republic) resumed the Chair.*

Agenda item 121: Programme budget for the biennium 2004-2005 (*continued*)

Possibility of operating guided tours, bookstores and gift shops at the United Nations Office at Nairobi and the cost implications thereof (A/58/727)

44. **The Chairman** drew the Committee's attention to a note by the Secretariat on the possibility of operating guided tours, bookstores and gift shops at the United Nations Office at Nairobi and the cost implications thereof, contained in document A/58/727. He took it that the Committee wished to take note of the information contained in that document.

45. *It was so decided.*

The meeting rose at 11.25 a.m.

United Nations A/C.5/58/SR.45

General Assembly
Fifty-eighth session

Official Records

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23 June 2004

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Fifth Committee

Summary record of the 45th meeting
Held at Headquarters, New York, on Thursday, 20 May 2004, at 10 a.m.

Chairman: Mr. Kmoníček ..... (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

Contents

Agenda item 121: Programme budget for the biennium 2004-2005 (*continued*)

Capital master plan (*continued*)

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04-35775 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 121: Programme budget for the biennium 2004-2005 (*continued*)

Capital master plan (*continued*)

1. **Ms. Bertini** (Under-Secretary-General for Management) said that, as the Committee was aware, the host Government had proposed a loan to fund the capital master plan renovation work at a 5.54 per cent interest rate, but that the Secretariat was continuing to discuss the possibility of an interest-free loan with the Government and members of the United States Congress. Among the issues which she and the Secretary-General raised regularly with key United States officials was the concern that the conditions of the loan should be improved.

2. The capital master plan team had briefed members of Congress and their staff a number of times, and would do so again in June 2004 in Washington, D.C., while another delegation from Congress would pay a visit to Headquarters during the summer of 2004 to discuss the capital master plan, among other matters. The Secretariat would look for all possible opportunities to express its views.

3. The Secretariat was considering the prospect of presenting several funding options to the General Assembly at its fifty-ninth session. The first was the existing proposal from the host Government for a 25-year loan at an interest rate of 5.54 per cent. The second was a host Government loan with a shorter repayment period, which would result in a lower interest rate and a lower total cost. The Secretariat had identified nine possible variations of grace period, total duration and disbursement rate, all falling within the parameters of the current host-country proposal. The third was to use the host-country offer as a guarantee against private-sector borrowing, which could provide borrowing options, particularly during the construction period, that would lower the interest rate and thus the total payment. The fourth was to offer Member States a menu of options, such as paying their total assessments up front to avoid paying interest, or paying instead over time with interest under one of the proposed formulas.

4. Discussing the matter at the Assembly's fifty-ninth session would help to keep the project on schedule and ensure that, if the Assembly decided to accept the loan offer from the United States, the proposal could be considered by the United States Congress during the fiscal year from 1 October 2004 to 30 September 2005.

5. The Secretariat had provided for each of the three components of the capital master plan to be funded differently. The refurbishment of the Headquarters complex was the responsibility of the Member States and would be funded from assessments. The Secretariat hoped to offer Member States an opportunity to fund the refurbishment of specific conference rooms. The new building, UNDC5, would be financed separately from the refurbishment project, and at no additional cost to the Member States, by the sale of bonds issued by the United Nations Development Corporation (UNDC). The $1.2 billion cost of the capital master plan had included the rent which the United Nations would owe the United Nations Development Corporation for use of the UNDC5 building as "swing space" while the plan was being implemented. Separate arrangements, similar to those for the UNDC1 and UNDC2 buildings, would apply to any subsequent rental of the UNDC5 building. The primary funding for the new visitors' centre would come from the private sector, through United Nations Associations in the United States and elsewhere. Many Member States had advocated private sector funding and the Secretariat believed that such funding was critical.

6. She would soon be recommending to the Secretary-General the appointment of an advisory board comprised of distinguished experts to provide guidance on financing and construction, since the offer from the host Government, the other possible funding options and the nature of the expert advice needed had become clearer. She hoped to report to the General Assembly in the autumn of 2004 on the appointment of the advisory board and to propose a range of funding modalities at that time.

7. She also hoped that by that time the city and state of New York would have made more progress in securing use of the site at First Avenue and 42nd Street, and that the United States Congress would have considered the bond financing scheme for the new building. UNDC had signed a design contract with renowned architect Fumihiko Maki and had begun a security assessment. Subject to resolution of the various legislative approvals and security issues, UNDC hoped to begin construction in late 2005. The Secretariat hoped to bring that date forward. Before UNDC could proceed with the bond issue and

construction, it must have an agreement to lease the building and it was therefore important for the General Assembly to take a decision on the matter at its fifty-ninth session.

8. The General Assembly had requested further information on the proposed new mid-sized meeting rooms and additional parking capacity and the relevant studies and reports had been completed and submitted. The report on the meeting rooms had addressed the basis for their proposed construction and prospects for allowing more natural light into the rooms, while the report on parking had provided several options, each with cost details. The General Assembly was due to review the reports at its fifty-ninth session.

9. In conclusion, the fifty-ninth session of the General Assembly would be an important and opportune time to discuss all aspects of the capital master plan and to take decisions which would be critical to its timely implementation.

10. **Ms. Stanley** (Ireland), speaking on behalf of the European Union, said that the capital master plan continued to be a priority, particularly for reasons of safety and security. She hoped that the Secretary-General would continue to hold consultations on the loan terms and conditions, since Member States would welcome any steps to make the project more affordable for them. Member States should be presented with as many funding options as possible, and the appointment of an advisory board to help to explore financial alternatives was a positive step.

11. She agreed fully with the view of the Under-Secretary-General that the fifty-ninth session of the General Assembly would be a crucial time for the capital master plan. It was important for Member States to have all the information they needed and the European Union wished to request brief informal consultations during the current part of the resumed session to discuss the matter.

12. **Mr. Repasch** (United States of America) said that the Under-Secretary-General had accurately summarized the discussions and activities connected with the capital master plan. He welcomed the proposed appointment of an advisory board, which had been promised several years previously when the Secretary-General had presented the plan.

13. **Mr. Kramer** (Canada) asked whether the Secretariat could provide an updated time scale for the implementation of the project, since his delegation did not have a clear idea of the order in which events would take place. Such a timetable would assist decision-making at the fifty-ninth session of the Assembly.

14. **Mr. Kozaki** (Japan) supported the request made by the representative of Ireland on behalf of the European Union for informal consultations on the capital master plan.

15. **Mr. Ng'ongolo** (United Republic of Tanzania) said that he would like clarification of the reference which the Under-Secretary-General had made to a lease agreement for the UNDC5 building, since he had the impression that it was in fact a lease-purchase agreement.

16. **Ms. Bertini** (Under-Secretary-General for Management) said that she would ask UNDC to provide a time chart for the UNDC5 project. Because the project was to be financed by a bond issue, UNDC needed an agreement from the Organization to rent the space. The site itself was currently classified as a park. New York City and state law required its use to be redesignated before construction could begin, and the City must therefore make a recommendation to that effect to the state legislature. An additional legal requirement was for new park space to be provided to compensate for the loss of the existing park, and an esplanade had therefore been planned.

17. **Mr. Clarkson** (Office of the Capital Master Plan) said that the agreement between the Organization and UNDC provided for a 30-year lease, at the end of which the Organization would have an option to purchase the building for a nominal sum of $1. If the Organization paid off the bonds issued by UNDC early, it could own the building before the 30-year period expired.

18. **Ms. Udo** (Nigeria) said that she supported the request of the representative of Canada for an updated time chart and would like to know the current situation of the site for the UNDC5 building, since she had been under the impression that New York City had already passed the necessary enabling legislation. She wondered whether its acceptance was in doubt and whether an alternative site had been selected in case there was a problem.

19. **Ms. Bertini** (Under-Secretary-General for Management) said that the necessary enabling

legislation had not yet been passed because New York City was still negotiating with community groups regarding the site. The city had spent a great deal of money on preparation of the architectural work and had signed a contract with an architect, thereby demonstrating that it was committed to the project.

20. No alternative options had been examined because opposition was thought unlikely. The enabling legislation was still pending. It had not been proposed and rejected. The project, moreover, was supported by the mayor and the city council member representing the neighbourhood.

The meeting rose at 10.35 a.m.

United Nations A/C.5/58/SR.46

General Assembly
Fifty-eighth session

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Fifth Committee

Summary record of the 46th meeting
Held at Headquarters, New York, on Friday, 21 May 2004, at 10 a.m.

Chairman: Mr. Kmoníček ..... (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

Contents

Agenda item 165: Financing of the United Nations Mission in Liberia (*continued*)

Agenda item 138: Financing of the United Nations Organization Mission in the Democratic Republic of the Congo (*continued*)

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04-35926 (E)

0435926

The meeting was called to order at 10.15 a.m.

Agenda item 165: Financing of the United Nations Mission in Liberia (*continued*) (A/58/744, A/58/792 and A/58/798)

1. **Ms. Pollard** (Director of the Peacekeeping Financing Division), introducing the report of the Secretary-General on the budget for the United Nations Mission in Liberia for the period from 1 July 2004 to 30 June 2005 (A/58/744), recalled that the mandate of the United Nations Mission in Liberia (UNMIL) had been established by Security Council resolution 1509 (2003) of 19 September 2003. The budget for the Mission for the period from 1 July 2004 to 30 June 2005 amounted to $839.6 million, which represented an increase of $275.1 million, or 48.7 per cent, over the appropriation for the financial period ending 30 June 2004. The additional requirements resulted from the full deployment of military contingents and international staff over the 12 months of the budget period, compared with a phased deployment over 9 months, adjusted by a 35 per cent delayed deployment factor for military contingents and a 50 per cent vacancy factor for international staff, in the 2003/04 period.

2. Since the issuance of the report, the budget estimates had been revised. Additional requirements for the electoral programme were offset by a reduction in the provision for troop-rotation travel, resulting in a net decrease in the overall requirements for UNMIL for 2004/05. Those changes were reflected in the related report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (A/58/798). The action to be taken by the General Assembly was described in paragraph 27 of the Secretary-General's report.

3. Turning to the note by the Secretary-General on the financing arrangements for the United Nations Mission in Liberia for the period from 1 August 2003 to 30 June 2004 (A/58/792), she recalled that the General Assembly, by its resolution 58/261, had appropriated an amount of $564.5 million to the Special Account for UNMIL and apportioned $450 million among Member States for the current period. As at 30 March 2004, expenditures incurred by UNMIL had amounted to $237.8 million. Based on the projected requirements for the period April-June 2004, estimated at $326.7 million, it was anticipated that the Mission would fully utilize the appropriation provided for its maintenance for 2003/04. The projected full utilization of resources was mainly attributable to the pace of troop deployment, which had been faster than budgeted. Consequently, additional amounts needed to be obligated to cover liabilities for standard troop cost reimbursement, contingent-owned equipment and self-sustainment. The General Assembly was therefore requested, in paragraph 4 of the note, to apportion among Member States the additional amount of $114.5 million for the period from 1 August 2003 to 30 June 2004.

4. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of ACABQ (A/58/798), said that, while the Secretary-General had requested $834.2 million for UNMIL for 2004/05, the Advisory Committee recommended an amount of $822 million, a reduction of $12.2 million. Concerning budget performance for the current period, the Advisory Committee pointed out in paragraph 8 of its report that, in order to reach the level of expenditure projected, the Mission would have to spend about $326 million in three months, April-June 2004, compared with expenditure of around $239 million during the previous eight months, from 1 August 2003 to 31 March 2004. In that connection, he noted that information on unliquidated obligations had not been available to the Advisory Committee.

5. With regard to the proposed budget for 2004/05, the Mission was to be commended for the progress made in formulating its budget document using results-based techniques, although further improvements could be made in a number of areas. For example, the linkage between proposed resources and programmed outputs and accomplishments could be better defined, and identification of external factors could be further enhanced.

6. The Advisory Committee welcomed the information on mechanisms for effective collaboration and coordination with other United Nations agencies, funds and programmes but considered that more could be done in that regard.

7. Concerning military and police personnel, the Advisory Committee was concerned that, as at the beginning of May 2004, only 3 troop-contributing countries out of 20 represented in the Mission had signed memorandums of understanding and that pre-

deployment inspections had been conducted in only 5 troop-contributing countries. It requested that urgent measures should be taken to remedy that situation.

8. With regard to civilian personnel, the Advisory Committee was of the view that further efforts should be made to streamline the organizational structure of the Mission in the context of the comprehensive review planned for mid-2004. In that connection, it pointed out that its previous concern about the numerous small sections and units in UNMIL still needed to be taken into account. It intended to monitor developments in the reform of the organizational structure of the Mission, including top-level positions.

9. The Advisory Committee recommended a modest upward adjustment of the delayed deployment rates for military observers and civilian police and an increase in the vacancy rates for international staff, National Professional Officers, national General Service staff and United Nations Volunteers. It further recommended approval of the staffing proposals for UNMIL, noting that additional personnel for the electoral programme would be hired in a staggered manner during the preparation for and holding of the elections and would be released in a similar staggered manner as the need for electoral support diminished.

10. Under operational costs, the Advisory Committee recommended a reduction in the provisions for consultants and official travel in view of the absence of sufficiently detailed justification.

11. In a separate note (A/58/792), the Secretary-General had requested the assessment of an additional amount of $114.5 million for UNMIL for the period from 1 August 2003 to 30 June 2004, representing the balance of the amount appropriated by the General Assembly in its resolution 58/261. It seemed fortuitous that the total requirements projected for UNMIL exactly matched the total level of the appropriation for 2003/04. In that connection, the Advisory Committee reiterated the view, which it had expressed several times in the past, that increasing the level of assessment was not a solution to the problem of unpaid contributions.

12. **Ms. Udo** (Nigeria), speaking on behalf of the African Group, noted that UNMIL had been established only eight months earlier and that the report before the Committee (A/58/744) contained the first budget estimates for the Mission to cover a 12-month period. The Group therefore joined the Advisory Committee in commending the Mission on the formulation of the budget document.

13. The rapid establishment of the Mission's presence on the ground and the close cooperation with the United Nations Mission in Sierra Leone and United Nations agencies in the field had contributed to the amelioration of the situation in Liberia, and the Group looked forward to further improvement as UNMIL completed its deployment. In order to sustain that momentum, the Mission would require continued support. The Group therefore wished to recommend that the balance of the amount appropriated by the General Assembly for the Mission for 2003/04 should be apportioned among Member States.

14. The Secretary-General had submitted a revised budget for the Mission for 2004/05 of $834.2 million. The Group had taken note of the relevant recommendations of ACABQ and was ready to discuss them further in informal consultations.

15. In the light of the interlinked nature of the conflicts in West Africa, the Group welcomed the establishment in UNMIL of mechanisms for effective collaboration and coordination with other United Nations agencies, funds and programmes, as well as with regional and international partners. The Mission should build on those efforts with a view to achieving a settlement in Liberia that would further peace, stability and development in the region.

16. The Group had previously stressed the importance of grouping together similar activities and functions within UNMIL. It was therefore encouraged to note that, following an initial review, proposals had been made for the streamlining of the Mission's organizational structure, and it looked forward to the outcome of the comprehensive review to be carried out in mid-2004.

17. High vacancy rates could hinder the effective implementation of the Mission's mandate. Every effort should therefore be made to expedite recruitment. While the Advisory Committee had recommended the increase of the vacancy rates on which the budget estimates were based, the Secretariat should nevertheless seek to achieve full deployment of posts.

18. The Group joined the Advisory Committee in cautioning that the reduction in the unit cost of rations should not adversely affect the quality of food. Concerning the reduction in the resource requirements

for consultants and official travel proposed in paragraphs 28 and 30 of the Advisory Committee's report (A/58/798), it would appreciate receiving in informal consultations an explanation of the likely impact on the smooth functioning of the Mission.

19. The Group welcomed the implementation of quick-impact projects and called for the concept to be further strengthened. Although actual expenditures of $183,100, as at 31 March 2004, against an appropriation of $1 million appeared to reflect a moderate pace of project implementation, the Group was encouraged to note that the Mission projected full utilization of all budgeted funds for the projects.

Agenda item 138: Financing of the United Nations Organization Mission in the Democratic Republic of the Congo (*continued*) (A/58/772 and A/58/794)

20. **Ms. Pollard** (Director of the Peacekeeping Financing Division), introducing the note by the Secretary-General on the financing arrangements for the United Nations Organization Mission in the Democratic Republic of the Congo for the period from 1 July 2003 to 30 June 2004 (A/58/772), recalled that the General Assembly, by its resolution 57/335, had appropriated and apportioned among Member States an amount of $608.2 million, including $582 million for the maintenance of the United Nations Organization Mission in the Democratic Republic of the Congo (MONUC) for the period from 1 July 2003 to 30 June 2004, $20.1 million for the support account for peacekeeping operations and $6.1 million for the United Nations Logistics Base at Brindisi. Subsequently, the Assembly, by its resolution 58/259, had appropriated an additional $59 million for the maintenance of MONUC for the same period. Based on the recommendation of ACABQ, that amount had not been apportioned among Member States.

21. As at 31 March 2004, expenditures incurred by the Mission had totalled $515.6 million, or 80 per cent of the appropriation. Based on the projected requirements for the period April-June 2004, estimated at $125.4 million, it was anticipated that the Mission would fully utilize the appropriation provided for its maintenance for 2003/04. The projected full utilization of resources was mainly attributable to the full deployment of military contingents and resulting requirements for the reimbursement of troop-contributing Governments for troop costs, contingent-owned equipment and self-sustainment. The General Assembly was therefore requested, in paragraph 5 of the note, to apportion among Member States the amount of $59 million for the period from 1 July 2003 to 30 June 2004 and to set off against the apportionment among Member States their respective shares in the Tax Equalization Fund of the estimated additional staff assessment income.

22. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of ACABQ (A/58/794), said that the Advisory Committee recommended in paragraph 3 that the amount of $59 million should be assessed and apportioned among Member States.

23. **Ms. Udo** (Nigeria), speaking on behalf of the African Group, said that the Group welcomed the full deployment of military contingents, which had produced positive results on the ground. Given the onerous tasks lying ahead, the Group supported the Secretary-General's request to apportion among Member States the balance of the approved resources, which would be required to ensure the continued success of the Mission.

The meeting rose at 10.40 a.m.

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Chairman: Mr. Kmoníček ..... (Czech Republic)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Kuznetsov

Contents

Agenda item 168: Financing of the United Nations Stabilization Mission in Haiti

Agenda item 140: Financing of the United Nations Mission of Support in East Timor

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04-36112 (E)

The meeting was called to order at 10.20 a.m.

Agenda item 168: Financing of the United Nations Stabilization Mission in Haiti (A/58/800 and A/58/809)

Agenda item 140: Financing of the United Nations Mission of Support in East Timor (A/58/795 and A/58/809)

1. **Ms. Pollard** (Director of the Peacekeeping Financing Division), introducing the report of the Secretary-General on the interim budget for the United Nations Stabilization Mission in Haiti for the period from 1 May to 31 December 2004 (A/58/800), said that, in its resolution 1542 (2004), the Security Council had decided to establish the United Nations Stabilization Mission in Haiti (MINUSTAH) for an initial period of six months and had requested that authority should be transferred to MINUSTAH from the Multinational Interim Force on 1 June 2004. Paragraph 10 of that resolution had authorized the Secretary-General to take all necessary steps to facilitate and support the early deployment of MINUSTAH in advance of the United Nations assumption of responsibilities from the Multinational Interim Force.

2. Pending the submission of a full budget to the General Assembly at its fifty-ninth session, the interim budget currently before the Committee reflected the preliminary financial requirements for the periods 1 May to 30 June 2004 and 1 July to 31 December 2004, amounting to $49,259,800 and $215,552,000, respectively. In the absence of results-based frameworks, section II of the report provided details of a number of key support outputs that would be delivered during the budget period. The interim budget provided for the deployment of 6,700 military personnel, 1,622 civilian police officers, including 750 officers in formed units, and up to 1,697 civilian personnel.

3. Paragraph 28 of the report outlined the actions to be taken by the General Assembly in connection with the financing of MINUSTAH, including the establishment of a special account and the appropriation and assessment of the amounts requested for the periods 1 May to 30 June 2004 and 1 July to 31 December 2004.

4. Introducing the report of the Secretary-General on the interim budget for the United Nations Mission of Support in East Timor for the period from 1 July to 31 December 2004 (A/58/795), she recalled that, in its resolution 1543 (2004), the Security Council had decided to extend the mandate of the United Nations Mission of Support in East Timor (UNMISET) for a period of six months, with a view to subsequently extending the mandate for a further and final period of six months, until 20 May 2005.

5. The interim budget currently before the Committee reflected the preliminary financial requirements for the maintenance of the Mission. Pending the finalization of its results-based frameworks, UNMISET planned to deliver a number of support outputs during the budget period, which were set out in section II of the report. The Mission would include 42 military liaison officers, 310 formed troops and a 125-person International Response Unit, 157 police advisers, 58 civilian advisers and civilian personnel comprising 278 international staff, 614 national staff and 144 United Nations Volunteers. During the budget period, the Mission would utilize assets acquired during prior financial periods and continue disposal of assets no longer required.

6. Paragraph 27 of the report outlined the actions to be taken by the General Assembly in connection with the financing of UNMISET, namely, the appropriation and assessment of $45,728,400.

7. **Mr. Kuznetsov** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the Advisory Committee's report on the interim budget for the United Nations Mission of Support in East Timor for the period from 1 July to 31 December 2004 and the interim budget for the United Nations Stabilization Mission in Haiti for the period from 1 May to 31 December 2004 (A/58/809), said that, given the Committee's difficulties with the concept of interim budgets, it intended to give serious thought to, inter alia, possible refinements to General Assembly resolution 49/233, in order to better address the consequences of the simultaneous organization of several large and complex missions for their planning, budgeting and legislative consideration.

8. Owing to time constraints, the Advisory Committee had been unable to conduct a detailed examination of the interim budgets and was therefore

recommending that the General Assembly should approve commitment authority with assessment for MINUSTAH and UNMISET in the amounts set out in paragraph 5 of the report. Those recommendations were without prejudice to any decision that the General Assembly might take on the administrative structure of the Missions, their staffing tables and operational requirements when it considered the full budgets in the autumn. In that connection, paragraphs 8 and 9 of the report highlighted a number of the specific concerns that should be addressed in the budget proposals to be submitted at that time.

9. **Ms. Bethel** (Bahamas), speaking also on behalf of thirteen members of the Caribbean Community (CARICOM), namely, Antigua and Barbuda, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Suriname and Trinidad and Tobago, recalled that, on 26 February 2004, the Foreign Ministers of the Bahamas and Jamaica had addressed the Security Council on the situation of Haiti, since it had become clear that law and order in that country had broken down. Concerns remained about the human rights situation in Haiti, as the insecure environment was exacerbated by the existence of numerous armed gangs, many of which exercised effective control over large sections of Haitian territory. Disarmament must therefore be a priority.

10. While welcoming the establishment of MINUSTAH, in particular the multidimensional nature of the Mission, she cautioned that, in order to fulfil its mandate and in light of the challenging security situation in Haiti, it would require sufficient capacity both to deal with security threats and to set the stage for Haiti's long-term development. It was unfortunate that time constraints did not allow for a detailed examination of the financial requirements of the Mission at the current stage, but Member States were nevertheless urged to provide MINUSTAH with sufficient resources to successfully carry out all of its mandated activities.

11. **Ms. Goicochea** (Cuba) noted with concern the absence of detailed budget estimates for MINUSTAH and UNMISET. While the lack of specific information was understandable in respect of MINUSTAH, which had only just been established, the Secretariat should explain why it had been unable to present a fully justified budget proposal for UNMISET. Additional information should also be provided on the International Response Unit referred to in the summary of the interim budget for UNMISET.

12. Her delegation fully endorsed the comments made by the Advisory Committee in paragraphs 2 and 8 of its report and hoped that they would be taken into account by the Secretariat when it drafted the next set of budget proposals for the Missions in question. Although interim budgets had been submitted on previous occasions, the practice should not be encouraged, particularly where large sums of money were involved. The documents at issue did not provide sufficient information to enable the Committee to make informed decisions about the requested requirements, and while Cuba was willing to approve the appropriations necessary for the functioning of the two Missions, it was not prepared to endorse the proposed staffing tables, since the posts described were of an entirely provisional nature.

13. **Mr. Dutton** (Australia) reiterated Australia's support for the exemplary work carried out by UNMISET in Timor-Leste and welcomed the extension of its mandate, which would allow for the consolidation of that work. He supported the recommendations made by the Advisory Committee, which would ensure that UNMISET had sufficient resources to operate until the fully justified budget documents were submitted and approved. However, he observed that those recommendations covered only the period from July to October 2004 and inquired whether any financing arrangements were envisaged for November and December 2004.

14. **Mr. Abelian** (Secretary of the Committee), in response to the question posed by the representative of Australia, said that, should the General Assembly approve the recommendations contained in paragraph 5 of the report of the ACABQ, the Fifth Committee would take up the relevant budgets at the beginning of the Assembly's fifty-ninth session in order to ensure that the additional requirements for November and December were discussed and approved.

15. **Ms. Samayoa-Recari** (Guatemala) endorsed the comments made by the representative of the Bahamas.

16. **Mr. Agyeman** (Ghana) endorsed the comments made by the representative of the Bahamas and expressed the hope that the United Nations would take the necessary steps to ensure that Haiti could pursue its development in a climate of peace and security. He would be grateful for more information regarding the

financial requirements for UNMISET for the period ending 31 December 2004.

17. **Ms. Wahab** (Indonesia) welcomed the extension of the mandate of UNMISET, in particular its emphasis on capacity-building. She hoped that the Secretariat would provide written replies to the various questions posed.

18. **Mr. Kozaki** (Japan) said that he supported the extension of the mandate of UNMISET. He had taken note of the concerns expressed by ACABQ in paragraph 8 of its report and hoped that they would be taken up at the Assembly's fifty-ninth session.

19. **Ms. Pollard** (Director of the Peacekeeping Financing Division), responding to the questions posed by various delegations said that the Secretariat had faced considerable time constraints when preparing tne budget documents currently before the Committee and had therefore been unable to submit more detailed proposals. However, the submission of interim budgets was not an attempt to circumvent the comprehensive budgetary process, but rather an effort to provide the relevant legislative bodies with more information than had previously been available in similar situations. The comments made by ACABQ in paragraph 8 of its report would certainly be taken into account by the Secretariat during the preparation of the full budget proposals in the autumn.

20. Replying to the question concerning the International Response Unit posed by the representative of Cuba, she said the Unit, which was composed of 125 gendarmes, would respond to major security threats exceeding the capacity of the national security forces in Timor-Leste. A more detailed description of its functions was contained in paragraphs 51 and 53 of the report of the Secretary-General on the United Nations Mission of Support in East Timor (S/2004/333). For the purposes of the budget and reimbursement to Member States, the contingents making up the Unit were regarded as troops.

21. **Mr. Ramlal** (Trinidad and Tobago) said that he was satisfied with the Secretariat's explanation of why it had been unable to submit full budget proposals for the Missions in question. However, he hoped that the Committee would be in a position to take a decision on the financing of MINUSTAH before 31 October 2004 to ensure that the work of the Mission would not be jeopardized.

The meeting rose at 10.55 a.m.